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FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON, D. C.

FATP-1-57 Revised

U. S. DEPARTMENT OF AGRICULTURE

January 24, 1957

Gold and Dollar Assets of Foreign Countries for Third Quarter (July-September) 1956 ^{1/}

During the third quarter of 1956 (July-September) the total of foreign countries' gold and dollar assets (including U.S. Government bonds and notes) increased by \$642 million. Total holdings now amount to a record of \$29,126 million (excluding the unknown amount of gold held by the U.S.S.R.).

The increase in the third quarter was larger than the average quarterly increase in the first half of 1956 (\$514 million) or in 1955 (\$437 million).

The assets of eight countries increased between July and September 1956.

Million U. S. Dollars

Germany	364
Canada	150
Switzerland	148
Venezuela	74
Italy	66
Indonesia	46
Brazil	41
Mexico	39
<u>TOTAL</u>	<u>928</u>

In the case of Brazil and Indonesia, these increases have partly offset previous exchange losses.

Four countries during this period experienced substantial drains on their reserves.

Million U. S. Dollars

France	124
Argentina	77
United Kingdom	47
Colombia	43
<u>TOTAL</u>	<u>291</u>

Estimated Gold and Dollar
Holdings of Foreign Countries
(Revised)

Area and Country	1951		1952		1953		1954		1955		1956	
	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Sept. 30 ^p
(Millions of United States Dollars)												
Continental Western Europe												
Austria	105	113	108	119	172	246	300	341	337	332	318	347
Belgium-Luxembourg (& Belgian Congo)	855	907	977	1,041	1,050	1,107	1,065	1,054	1,121	1,211	1,233	1,275
Denmark	80	80	69	105	107	133	131	109	91	98	107	101
Finland	43	53	47	55	60	65	76	75	74	89	87	95
France(& dependencies) 1/	1,095	1,107	1,114	1,175	1,134	1,207	1,249	1,489	1,557 2/	2,137	1,790	1,666
Germany(Federal Republic of)	357	434	545	691	893	1,225	1,503	1,999	2,158	2,382	2,748	3,112
Greece	43	49	51	57	82	112	125	124	138	187	176	161
Italy	542	643	623	665	670	821	811	935	994	1,139	1,214	1,280
Netherlands(&Netherlands West Indies & Surinam)	503	531	610	824	961	1,062	1,131	1,123	1,113	1,114	1,174	1,139
Norway	143	154	149	170	168	176	183	154	152	177	176	192
Portugal(& dependencies)	282	331	342	374	413	469	516	560	571	601	602	617
Spain(& dependencies)	133	132	133	134	137	153	145	191	228	224	209	188
Sweden	229	225	282	276	281	336	343	407	383	429	426	453
Switzerland	2,015	2,016	2,051	2,099	2,136	2,174	2,141	2,223	2,212	2,398	2,424	2,572
Turkey	162	165	171	151	152	157	151	152	156	153	151	158
Other 3/	655	480	668	717	798	891	1,008	951	1,246	882	1,120	1,073
Total	7,242	7,420	7,940	8,683	9,214	10,334	10,878	11,887	12,531	13,583	13,955	14,429
Sterling Area												
United Kingdom	4,266	2,948	2,343	2,514	3,098	3,241	3,775	3,406	3,419	2,880	3,124	3,077
United Kingdom dependencies	98	104	108	118	114	112	110	107	106	99	97	104
Australia								186	204	219	238	241
India	328	310	307	313	335	347	339	335	345	321	330	322
Union of South Africa	227	197	159	195	213	215	226	233	243	266	246	249
Other	262	328	353	350	373	376	376	181	187	202	195	207
Total	5,181	3,887	3,270	3,490	4,133	4,291	4,826	4,448	4,504	3,987	4,230	4,200
Canada	2,113	2,257	2,513	2,627	2,369	2,519	2,565	2,709	2,643	2,610	2,756	2,906
Latin America												
Argentina	632	519	416	428	521	503	548	531	528	509	476	339
Bolivia	48	51	47	45	47	40	36	32	28	26	25	25
Brazil	530	418	399	392	453	425	419	444	444	468	542	583
Chile	115	99	96	121	129	122	104	113	137	139	148	152
Colombia	125	154	138	194	197	236	317	308	188	217	224	181
Cuba	637	603	663	543	608	570	612	547	580	558	566	574
Dominican Republic	61	60	64	58	59	51	68	72	83	77	80	77
Guatemala	59	56	67	63	74	65	75	62	78	72	93	80
Mexico	332	371	270	380	344	345	264	395	423	560	526	565 4/
Panama	73	82	82	89	102	91	88	75	86	87	94	104
Peru	101	93	103	107	109	104	103	118	118	127	109	117
El Salvador	77	54	67	55	74	56	75	59	79	52	73	53
Uruguay	357	308	310	302	313	338	336	318	292	282	284	291
Venezuela	450	446	505	521	532	597	624	600	667	671	737	811
Other	114	105	128	134	162	135	150	145	150	139	169	149
Total	3,711	3,419	3,355	3,432	3,724	3,678	3,819	3,819	3,881	3,984	4,146	4,161
Asia												
Indonesia	380	421	456	296	246	184	140	181	211	270	158	204
Iran	165	163	159	157	155	181	172	169	190	175	169	174
Japan	473	731	851	931	1,017	953	743	854	887	1,033	1,179	1,207
Philippines	429	356	356	332	324	312	315	272	269	274	306	303
Thailand	181	210	240	294	311	281	243	236	244	251	249	255
Other	335	331	316	366	369	408	450	528	605	648	696	684
Total	1,963	2,212	2,378	2,376	2,422	2,319	2,063	2,240	2,406	2,651	2,757	2,827
Eastern Europe 5/	326	315	313	313	312	312	315	315	318	315	300	295
All Other												
Egypt	232	285	292	234	229	217	226	221	224	246	236	222
Other	38	45	39	52	63	69	67	68	85	80	104	86
Total	270	330	331	286	292	286	293	289	309	326	340	308
Total Foreign Countries	20,806	19,840	20,100	21,207	22,466	23,739	24,759	25,707	26,592	27,456	28,484	29,126

p. Preliminary

1. Excludes gold holdings of French Exchange Stabilization Fund
2. Reflects publication by France of certain previously unpublished French gold reserves, which are included for earlier dates in Continental Western Europe. - Other
3. Includes Yugoslavia, Bank for International Settlements (both for its own and European payments Union account), gold to be distributed by the Tripartite Commission for restitution of Monetary Gold, and unpublished gold reserves of certain Western European countries.
4. Includes latest available figure (July 31) for Mexican gold reserves.
5. Excludes gold reserves of the U.S.S.R.

The United Kingdom would have suffered a decline of about \$230 million in the third quarter had it not been for a dollar payment of \$177 million resulting from a previous sale to U. S. interests of the Trinidad Oil Company.

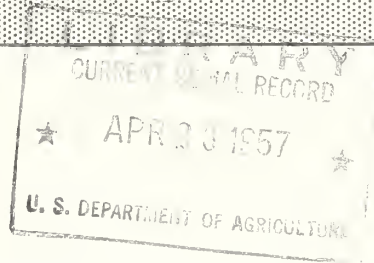
In the fourth quarter 1956 a number of countries, including Germany, Canada, Switzerland and Venezuela have probably made further gains in their gold and dollar assets.

The United Kingdom, France and possibly other Western European countries have suffered exchange losses as a result of the Suez crisis. The United Kingdom and France, on the other hand, have bolstered their exchange reserves through credit arrangements. The United Kingdom in December 1956 was granted by the International Monetary Fund a drawing of \$561 million repayable within three years and a stand-by arrangement permitting additional drawings within two years up to \$739 million or the equivalent in other currencies. In addition, the United Kingdom received a credit line of \$500 million from the Export-Import Bank of Washington. Earlier France was granted by the International Monetary Fund a stand-by arrangement permitting drawings up to \$262.5 million or its equivalent in other currencies.



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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON, D. C.



FATP 2-57

January 8, 1957

THE AGRICULTURAL SITUATION IN SUDAN, 1956

Exceptionally favorable weather during 1956 in the newly proclaimed sovereign republic of Sudan resulted in the continued upward trend in the production of agricultural crops. The 1955-56 cotton production was up nine percent over the previous year's crop although total acreage was lower. Indications are that the current cotton crop, which was planted August-September, 1956 and will be harvested January-May, 1957, will continue in the upward trend for the sixth consecutive year. As a result of this increased production, cotton exports reached an all-time high in 1955-56.

Timely rains during the period, June-September, provided adequate moisture for the maturing of grain crops, and production in 1956 reached a record high. Due to the large grain supply, exports restrictions were removed and about 8 percent of the current crop is expected to be available for export. In the past most of the grain crop was used for domestic consumption.

It is estimated that of Sudan's 917,375 square miles, 36 percent is in forest, 3 percent in crop land (17,540,000 acres of which 2,000,000 are under irrigation), 10 percent in meadow, 16 percent is unused but potentially productive (98,800,000 acres) and 35 percent is unproductive land. Various development programs are underway which will increase substantially the total area under irrigation within 15 years. This increased irrigated land is likely to be planted to cotton and durra (sorghum). The completion of such plans (in addition to the land now under irrigation) will make this country more important in the world's agricultural picture. In 1955, Sudan was already among the top ten cotton producing countries of the world and is the second largest in Africa, being only surpassed by Egypt.

Cotton

The 1955-56 cotton production amounted to 441,000 bales (500 pounds gross) and was produced on 598,000 acres compared to 403,000 bales from 685,000 acres in the previous year. This is an increase of 9 percent in production on 13 percent less area. The increase in production despite

acreage reduction can be attributed primarily to better growing conditions and the availability of water for irrigation.

Production of American-type cotton in 1955-56 (amounting to 68,000 bales) declined 26 percent from the previous year's production. However, the increased production of long staple cotton more than offset this decline. Acreage reductions in regions producing American-type cotton amounted to 32 percent, declining from 270,000 acres in 1954-55 to 194,000 acres in 1955-56. Yields of short staple varieties increased from 121 to 129 pounds of lint per acre.

Cotton acreage in regions producing Sakel, Lambert, and other extra long staple varieties declined only slightly from 415,000 acres a year ago to 414,000 acres in 1955-56. However, production increased by 17 percent from 335,000 bales in 1954-55 to 392,000 bales produced in the current period. Average yields increased from 388 to 454 pounds of lint per acre. Production of these long staple varieties amounted to 89 percent of the 1955-56 total crop as compared with 83 percent for the previous year.

Sudanese cotton is sold by auction beginning in March and continuing until the end of the season. Sales of the high grades moved rapidly in the early part of the season at steadily increasing prices until June, when prices began to decline. The market was rather inactive in June and July. Most of the top grades had been sold, but substantial quantities of the lower grades were still on hand. Since late July, sales of the lower grades have been moderately good.

Nearly all of Sudan's cotton is exported. Domestic consumption amounts to only about 2,000 bales annually. Exports during August-July, 1955-56 amounted to 559,000 bales, the highest on record. This was an excess of exports over current production due to the stock carry-over from the 1954-55 crop. The United Kingdom and India are the usual markets for Sudan's cotton, although in recent years other European countries have taken sizeable quantities.

The effect of the closure of the Suez Canal on cotton exports from Sudan is indeterminate for the next few months. Normally, all cotton exports passes through Port Sudan on the Red Sea and cotton destined for Europe and the Western Hemisphere moved through the Suez Canal. Although most of the cotton crop was sold by September, considerable quantities were still awaiting shipment.

Grains

Durra (a native grain sorghum) production in 1956 is now estimated at 49,634,000 bushels, an increase of 26 percent over the production in 1955. Some 636,000 additional acres were put into durra production this year, of which 104,000 acres were on mechanized farms. This, in addition to adequate rains, contributed to the increased production, in contrast to the short crop of 1955 due to drought conditions.

After the Government's reserve stock of 1,320,000 bushels has been obtained, it is estimated there will be a surplus over consumption requirements of 4,000,000 bushels. However, only 3,530,000 bushels are expected to be exported since present rail facilities are inadequate to move more than this quantity to the port. Exports normally go to Europe and the Middle East countries. In light of the large 1956 grain crop, the Government lifted the restrictions against the export of durra and dukhn in October. These restrictions were imposed a year ago as a measure to prevent the complete depletion of the grain stock and to help curb the steady rising cost of living.

Dukhn (a form of millet) is the second grain crop in importance. Total production of the current crop is unknown since there are no accurate statistics available on acreages planted or harvested. Latest reliable figures for previous crops indicate 8 acres are planted to dukhn (average yield of 6 to 9 bushels per acre) for every 10 planted to durra. The removal of export restrictions would seem to be an indication of a large crop.

Wheat production is rather small in Sudan. The 1955-56 crop was 718,000 bushels, being grown mostly on irrigated lands. Usually wheat is imported. Some 1,764,000 bushels were imported during 1955 and 955,000 bushels during the first ten months of 1956.

Rice production is also relatively small. Estimates of production are not available. Rice is grown in the swampy White Nile regions of the south and it is all consumed locally. Imports of rice in 1955 amounted to 6,000 tons.

Oil Crops

Sesame production in 1956 amounted to 207,000 short tons from an area of 571,000 acres as compared to 134,000 tons from an area of 461,000 acres the previous year. While the acreage planted to sesame was increased 24 percent, total production was up 54 percent over the previous year. The crop is almost entirely rain grown and the tremendous increase in production is attributed to higher yields as a result of better growing conditions. Sesame is used both for food and for industrial purposes in the country. During 1953 and 1954 an average of 24,000 tons were exported.

Peanut production reached a high of 47,400 short tons in 1953, an increase of 31 percent over the 1955-56 crop. Total area planted to peanuts in the current year amounted to 155,700 acres, an increase of 11,640 acres over the previous year. Exports during the first three months of 1956 were 8,000 short tons compared with 6,000 tons for the same period in 1955. A total of 16,000 short tons was exported in 1955.

Cottonseed production figures for the 1956-57 crop are not available since the crop will not be harvested until early in the spring. In light of the anticipated increase in cotton production, it is expected to be larger than the 235,000 short tons produced in 1955-56. Exports in 1955

amounted to 112,000 tons, slightly over one-half of the total production of 215,000 tons in 1954-55. Principal destinations of Sudan's cottonseed exports in 1955 were Egypt (taking 25 percent) and various European countries.

Sudan's oilseed processing industry has undergone changes in recent years. With the continued upward trend in the production of cottonseed and other oil crops, additional investments have been made to expand the total oil pressing capacity within the country.

Other Crops

Sudan is the world's foremost producer of gum arabic - 51,000 short tons in 1956 compared with 46,000 tons in 1955 - accounting for about four-fifths of the world's supply. Generally, the entire crop is available for export and in terms of value is second in importance to cotton. The United States and the United Kingdom are by far the biggest consumers for this commodity. The gum is used mainly in adhesives, textiles and medicines.

Production figures are not available for pulses and dates; however, it is known that considerable quantities are produced. An area of 39,000 acres or more was planted to pulses in 1954; approximately 16,000 short tons were available for export. After meeting domestic requirements in 1954 and 1955 around 6,000 short tons of dried dates were exported.

Sudan: Acreage and Production of Selected Crops, 1955 and 1956

Commodity	Unit	1955		1956	
		Acres	Production	Acres	Production
		----- 1,000 -----			
Cotton	Bales ^{1/}	685 ^{2/}	403 ^{2/}	598 ^{3/}	441 ^{3/}
Durra (sorghum)	Bushels	2,003	39,505	2,639	49,634
Wheat	"	32	718	--	--
Sesame	Short tons	461	134	571	207
Peanuts	" "	144	36	156	47
Cottonseed	" "	--	215 ^{2/}	--	235 ^{3/}
Gum arabic	" "	--	46	--	51

^{1/} 500 pounds gross.

^{2/} 1954-55 crop.

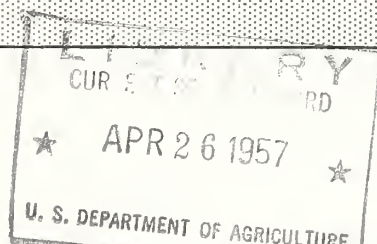
^{3/} 1955-56 crop.



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THE AGRICULTURAL SITUATION IN INDONESIA, 1956

Introduction

Agricultural crop production in Indonesia showed mixed trends in 1956 with increases in production of most of the important food crops as compared with 1955 being largely offset by decreases in several of the important commercial crops. Unfavorable weather, early in the year, caused the output of several crops to fall below expectations, although in general flooding and other weather damage was not as severe in 1956 as in the previous year. Total crop production on estates continues to decrease as a result of a combination of factors, including labor troubles, further encroachment on estate lands by squatters, and a continual decline in the productivity of large areas of aging tree crops which estate managements are reluctant to replant because of uncertainty as to government policy toward foreign owned estates.

Food crop production in Indonesia in 1956 was higher than the previous year's output but was still well below the large 1954 output. Production of six principal food crops is estimated at 21,156,000 metric tons in 1956, an increase of 5 percent as compared with 1955, but more than 6 percent below the 1954 total. Larger crops of rice, corn, cassava, soybeans, and peanuts are reported in 1956 than in 1955, while a slight decrease is indicated for sweet potatoes. In 1956 the harvested acreage of rice, corn, sweet potatoes, and peanuts declined for the second successive year, while cassava and soybean acreage increased over the previous year.

Total production of commercial crops in Indonesia in 1956 is considerably below the 1955 outturn. Crops for which decreased production is reported are rubber, sugar, copra, palm oil, palm kernels, and tea. Crops showing increased production are tobacco, coffee, hard fibers, and pepper.

Food Crops

Rice is the main food in the Indonesian diet and production in 1956 is estimated at 7.3 million metric tons. This was 2.4 percent above the 1955 crop but was 3 percent smaller than the 1954 output. The country had hoped to approach self-sufficiency in rice production but excessive rain reduced the crop for the second successive year. Imports in 1956 were at a much higher level than in 1955 and it appears that rice importation may continue for several years as increased production is expected to little more than keep up with population growth.

Corn production in 1956 is estimated at 1,956,000 metric tons, about 3 percent above the 1955 harvest but 28 percent below the large 1954 crop. Corn production is concentrated primarily in East Java, Madura, and Bali and all the crop is consumed domestically.

Cassava or tapioca is a root crop that is widely grown in Indonesia and its use for human food varies each year with the availability of other crops such as rice and corn. Output in 1956 is estimated at 9.5 million tons from 2.7 million acres. Both acreage and output were up slightly from a year earlier in keeping with the trend which has continued since 1952.

Production of sweet potatoes, the second important root crop grown in Indonesia, declined slightly from the 1955 level as yields were reduced by excessive rains. Output in 1956 is placed at 1.8 million tons.

Soybean production in 1956 is estimated at 380,000 tons or 10 percent above the 1955 harvest. Acreage harvested is estimated at 1,359,000 in 1956 and is believed to be a record, although production is below the exceptionally large 1954 crop. Peanuts are grown principally in Java and 1956 production is placed at 220,000 metric tons, a slight increase from the 1955 level in spite of a small reduction in acreage. Although a 15 percent premium has been placed on peanut exports, practically all the peanut crop, as well as the soybeans, are consumed domestically.

Commercial Crops

Output of natural rubber, Indonesia's most important commercial crop, totaled 746,000 metric tons in 1955, just slightly below the 1954 crop. Although data for all of 1956 are not yet available, production in the first nine months of the year was running about 4 percent below the 1955 level. Exports in 1956 were also below the 1955 level when shipments amounted to 733,000 metric tons.

Coconuts are grown throughout Indonesia principally by small farmers, and the meat and oil are an important part of the native diet. Commercial production for export is centered in the Eastern Islands of the Archipelago. Copra production in 1956 is estimated at 980,000 metric tons - about 3.6 percent below the 1955 output. Domestic consumption in 1956 is placed at 793,400 tons, and exports at 191,600 tons were 19 percent below the 1955 level when 236,530 tons were shipped. This decline is due primarily to the chaotic conditions that have existed in copra marketing. The low prices paid to producers by the Copra Foundation, which was the central copra purchasing agency in the country, led to much dissatisfaction among producers and to much copra smuggling. Recently the Copra Foundation was abolished and a committee was appointed to organize a Central Copra Cooperative to act as the selling agency for producers.

Sugar production in 1956 is estimated at 783,000 tons, about 8 percent below the previous year's crop. Most of the decrease was due to theft and labor difficulties and to too much rain in the early part of the growing season. Domestic consumption, estimated at 546,500 tons in 1956, is only slightly below the 1955 level with the result that exports are down to 206,000 tons in 1956 from 287,700 tons in 1955.

Oil palms are grown almost exclusively on estates in Indonesia and output of both palm oil and palm kernels has been fairly constant for the past four years. Production of palm oil in 1956 is estimated at 160,000 tons, or 3.6 percent below the 1955 output of 165,800 tons.

Palm kernel production is 6 percent below the 1955 crop of 42,900 tons. In spite of slightly lower production, exports of both palm oil and kernels are up from the 1955 levels. Palm oil exports, estimated at 129,000 tons, are 11 percent higher than in 1955, while palm kernel exports are placed at 39,800 tons in 1956 as compared with 38,900 tons in 1955.

Indonesia's production of tobacco for export is far below the prewar level as squatters continue to occupy estate lands formerly used for tobacco production while at the same time an increasing proportion of the total output is used for domestic consumption. The 1956 crop is estimated at 66,300 metric tons, just slightly above the 1955 output of 65,700 tons. Production of flue-cured tobacco and high quality Deli cigar leaf were down from the 1955 level while native leaf production was up in 1956. Floods and unfavorable weather, early in the season, reduced the crop in both 1955 and 1956.

Tobacco exports in 1956 are placed at 11,700 metric tons as compared with 13,200 tons the previous year. Imports in 1956 are estimated at 14,000 tons, up sharply from the 8,740 tons imported in 1955. Most of the tobacco imports are flue-cured leaf for cigarettes and in 1956 about three-fourths of the total was received from the United States under Public Law 480.

Tea production in 1956 is estimated at 57,100 tons, or 5 percent below the 1955 output of 60,400 tons. Most of the decrease is attributable to the high cost of production during the year in relation to the selling price, making production unprofitable. Exports in 1956 were down slightly from the 1955 level when shipments totaled 32,700 tons.

Indonesian coffee production has been increasing steadily since 1950 and is estimated at 64,400 tons in 1956 as compared with 60,800 tons in 1955. Exports are sharply above the 1955 level, totaling 38,000 tons in 1956 as compared with 23,560 tons the previous year.

Hard fiber production in Indonesia (consisting mainly of sisal but including some abaca), has been increasing since 1953 and is estimated at almost 37,000 tons in 1956. Hard fibers are grown principally on estates and chiefly for export. Exports in 1956 are placed at 33,750 tons, slightly below the 1955 figure.

Market Situation

The marketing of Indonesia's agricultural commodities poses one of the Government's most difficult problems. The internal price structure is based on the unofficial rate of exchange which was about three rupiahs to one U. S. dollar during 1956. Competitive prices in the world market have not been favorable to Indonesian exporters and value of exports of agricultural commodities for the year are expected to be considerably below the 1955 level. Illegal shipments of large quantities of rubber, copra, and a few other commodities have deprived the Government of much needed foreign exchange and have depressed domestic markets.

Since 1955 certain commodities including tea, cocoa, pepper, fibers, and tobacco had been classed as weak export commodities and export premiums in rupiahs were paid to exporters of these products. However, in August 1956, this system was withdrawn and a system of export premiums payable in foreign currency was instituted. The foreign currency can be used for importing certain goods (principally luxury items), for foreign travel and for certain other uses. Premiums on various agricultural items are as follows: copra, coffee, pepper, cut tobacco, nutmeg, skins, and tea - 10 percent;

leaf tobacco - 8 percent, fibers - 25 percent; tapioca - 20 percent; and peanuts - 15 percent. Indications are that the new system had relatively little effect on exports in the first few months following its adoption.

In September, 1956, a new system of import classification was begun and the number of categories for application of import surcharges was raised from four to nine. Import surcharges now range from zero to 400 percent of the landed cost. Thus far, this regulation has had minor effects on agricultural imports.

The major agricultural commodities imported by Indonesia in 1956 include rice - 748,000 tons, wheat flour - 120,000 tons, tobacco - 14,000 tons, and milk - 20,000 tons. Imports of flour and milk are about the same as in 1955. However, tobacco imports are up substantially from the 1955 level and rice imports far exceed the low 1955 figure of 127,000 tons.

Outlook

Food crop production in Indonesia in 1957 will probably be up slightly from the 1956 level. The rice and cassava crops are expected to about equal or exceed 1956 production while yields of corn, sweet potatoes, peanuts, and soybeans are all expected to be higher than in 1956.

It is not yet apparent what effect the current unrest, particularly in Sumatra, will have on agricultural production but it appears that output of a number of important commercial crops may decline further in 1957. If rubber prices, which increased late in 1956 following the closure of the Suez Canal, remain high increased tappings by small holders could raise rubber output in 1957 in spite of the declining productivity of large numbers of rubber trees. Unless a copra marketing system acceptable to the producers is developed, copra production in 1957 may decline significantly. Output of sisal and tea, both of which were relatively unprofitable in 1956, is expected to decline. Production of Deli tobacco will probably be down again, while increased production of Virginia tobacco, sugar, and coffee are forecast for 1957.

Acreage and Production of Principal Food and Commercial Crops in Indonesia, 1954-56

Commodity	1954		1955		1956 1/	
	Acreage 1,000 acres	Production 1,000 metric tons	Acreage 1,000 acres	Production 1,000 metric tons	Acreage 1,000 acres	Production 1,000 metric tons
Food crops						
Rice	16,341	7,530	16,189	7,126	16,062	7,300
Corn	6,222	2,720	5,032	1,882	4,942	1,956
Cassava	2,647	9,569	2,648	9,380	2,718	9,500
Sweet potatoes	703	2,111	686	1,866	642	1,800
Peanuts	801	248	767	217	741	220
Soybeans	1,298	400	1,285	344	1,359	380
Commercial crops						
Rubber	n.a.	751	n.a.	746	n.a.	715
Copra	n.a.	1,100	n.a.	1,019	n.a.	980
Sugar	n.a.	718	n.a.	851	n.a.	783
Palm oil	n.a.	169	n.a.	166	n.a.	160
Palm kernels	n.a.	43	n.a.	42	n.a.	40
Tea	n.a.	54	n.a.	60	358	57
Coffee	n.a.	51	n.a.	61	443	64
Tobacco	n.a.	96	n.a.	66	n.a.	66
Hard fibers 2/	n.a.	30	n.a.	35	n.a.	37
Pepper	n.a.	16	n.a.	11	n.a.	12

1/ Preliminary
2/ Principally sisal and abaca

Imports and Exports of Principal Agricultural Commodities
Indonesia 1952-56

Commodity	1952	1953	1954	1955	1956 ^{1/}
	(1,000 metric tons)				
Imports					
Rice	765.8	371.5	258.8	127.0	748.0
Wheat flour	145.1	137.8	108.4	120.0	120.0
Milk and cream	42.5	18.7	19.5	20.1	20.0
Tobacco	9.4	8.9	7.0	8.7	14.0
Raw cotton	4.1	5.1	5.5	7.1	7.0
Exports					
Rubber	761.1	684.8	740.3	733.3	700.0
Copra	347.5	311.0	296.9	236.5	191.5
Sugar, refined	1.2	97.4	212.8	176.3	206.0
Palm oil	124.8	136.0	140.1	116.5	128.9
Palm kernels	37.2	43.4	42.6	38.9	39.8
Tea	35.8	33.0	45.0	32.7	31.5
Coffee	18.7	33.6	38.2	23.6	38.0
Tobacco	10.3	14.8	19.8	13.2	11.7
Hard fibers (sisal and abaca)	28.8	27.1	24.2	34.5	33.8
Pepper	7.2	7.6	12.9	13.7	10.6

^{1/} Estimated on the basis of data for a part of the year.



FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON, D. C.

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U. S. DEPARTMENT OF AGRICULTURE

January 15, 1957

Chile: Agricultural Situation, 1956

Chile's available food supplies were greater in 1956 than in 1955 mainly because of increased production of potatoes, pulses, dairy products and sea foods. A slightly larger 1956 carry in stock also has resulted in a small increase in the total supply. Total imports, however, are lower this year than last mainly because of fewer foreign purchases of milk, fruits, sugar and coffee. In spite of the greater supplies of food, indications are that consumption declined due to higher food costs.

Final stocks of food in Chile at the beginning of 1957 are much higher than at the beginning of 1956 due principally to the desire of INACO (The National Institute of Commerce) to have at least one month's reserve of wheat, to decreased vegetable oil consumption, to the accumulation of potatoes in the southern provinces which did not move into consumption because of the sharp increase in freight rates and to an accumulation of stocks of sea foods. Decreased exports of agricultural products compared to last year also will add to greater end stocks.

Although Argentina is generally the principal source of Chilean agricultural imports, the United States supplied almost \$13 million worth in 1955. Imports consisted primarily of wheat, cottonseed oil, nonfat dry milk and cotton. The value of United States agricultural imports from Chile in 1955 was \$4.5 million.

Production

Reduced acreage and poor weather conditions in Chile during the growing season adversely affected grain production in 1956. For the second time citrus was affected by cold. A dry winter materially reduced the yield in the North Central Zone, whereas in the South an extremely wet season was encountered during harvest, resulting in a large volume of grain that must be dried or used for animal feed. Maturity of the rice crop was delayed by a cool spring and a shortened harvest season, and total yield was reduced with an increase in broken grains necessitating a new grade to permit sale.

Latin American Analysis Branch

Crops in general were affected by excess moisture from Nuble to Llanquihue inclusive. The poor quality of oats, and lower production of both German and "País" barley were especially noted in Osorno. Beans for domestic consumption yielded less than in other years, which with the loss or damage of wheat, lentils, etc., all contribute in the present year to an expectation of somewhat reduced stock of these products.

Without doubt the low prices received by farmers have been a factor in volume produced of certain commodities. Wheat acreages have not been keeping pace with increasing consumer needs because of the low price received for this grain. Dairy men, during the first half of 1956, were dispersing herds or converting milk production to butter or cheese which gave them a greater return for the milk produced. Milk alone of the dairy products sold at a controlled price.

Imports

Wheat, vegetable oil, meat (including live animals), and cotton were the principal items imported into Chile during 1956. All of the meat and about 1/3 of the wheat is from Argentina, but the Public Law 480 agreement with the United States was most advantageous to Chile in supplying the remainder. Availability of wheat, vegetable oil and other commodities in Argentina in 1957 will determine what quantities Chile will purchase from other sources. With the increase in the Chilean support price for wheat, effective January 1, 1957, the annual wheat deficit is expected to decrease in 1957-58.

Exports

Chilean foreign export trade in agricultural commodities in 1956 was not up to expectations. The principal reasons are that the high port handling charge and the new export surcharge have reduced the possibility of exporting at a profit. While fruits and melons moved in sizeable volume even at the lower exchange rate prevailing prior to April 1, 1956, there was some reduction in shipments of table grapes due to an early rain which affected quality. Pulses, barley and oats have been the main commodities moving into foreign channels, the grains going mainly to countries having a trade agreement with Chile. Pulses, however, commanded a high enough price to make shipments profitable in spite of the export surcharge.

Self Sufficiency

Chile has an intense desire to be self-sufficient. Efforts to expand production are directed mainly toward bread grains, dairy products, meat, and sugar. The recent change in policy regarding the wheat price should do much to increase production of this grain in coming years, but may not be really operative until the harvest year beginning January 1, 1958. Emphasis on pasture programs as a factor in soil conservation and in a crop fertility program, allied with the increase in the farm price for milk, may help to alleviate some shortages in dairy products. Until milking herds are operated production-wise on a year-round basis, however, a period of winter scarcity can be expected. Even then it will be a long time before the Ministry of Health Officials' goal of 158 quarts per person per year is attained. Present production is less than half the 1,110 million quarts a year that would be required for this objective.

The goal to increase meat supplies will in part be dependent upon pastures for cattle although a more rapid increase could take place in pork production. With swine breeding animals again freely importable, (over 200 head have already been imported from the United States) increased emphasis is being given to hog production as a source of meat. Pork, however, is one of the highest priced meats on the market and consumption by the mass of the population will depend upon lower prices.

The availability and cheapness of animal feeds will be an important factor in increasing the supplies of animal products. At present these are inadequate for large scale fattening such as is practiced in the United States. Domestic press cake meals are only available from sunflowerseed and flaxseed in small tonnages. The other principal by-product feeds are brewers grains, rice and wheat by-products, with none being in sufficient supply to serve a planned fattening industry. Corn production seems to remain relatively constant over the years but feeders claim it is too expensive for extensive feeding, though this might be rectified with improved management practices. Fish meals are in abundant supply, though exports are returning more profit to plants than domestic sales.

With the higher wheat price to be in effect next year, prices of feed grains are also expected to rise, thus increasing the cost of animal production. Greater dependence must be on good, well-managed pastures if costs are to be kept at a minimum.

Chile's Agricultural Trade and United States Farm Products

Competition

Chile exports beans, onions, garlic, grapes, apples, pears, prunes, raisins, cereal grain products (except wheat and corn), wool and timber, and thus competes directly on world markets with United States agricultural commodities. (See Table 1)

Chilean bean exports are of particular interest to United States farmers. Exports have averaged better than 38,000 short tons per year since 1945. New lands to be brought under irrigation may increase acreages in the future. Unless more work is done on breeding and crop management, however, total production, which during the last five years has averaged over 83,000 short tons, is not expected to increase materially. Thus the competition from beans will probably continue about as in the past.

Oats are usually produced in export quantities, but not such as to be an important competitor to United States oats. Exports in recent years have run around 5,500 short tons of all kinds of oats but may decrease in the future as domestic consumption increases. Barley is produced mainly for brewing and feed. Export is principally of malted barley which usually runs around 22,000 to 33,000 short tons per year, and is expected to remain at about this level for the next several years. The chief markets have been Germany and Belgium.

Only since 1940 has rice been a factor in the Chilean economy. Certain lands previously used for wheat have now been found better adapted to rice, especially in the Talca area which has an impermeable substrata. Production has averaged above 88,000 short tons per year for the last several years. This year, due to bad weather at harvest time, the total yield has been less than expected. Consumption has been increasing, but there is usually an exportable surplus which has been as high as 55,000 short tons.

Deciduous tree fruits and grapes will continue to be produced for export, probably to a seasonal total of approximately 20,000 short tons per year. Lemons this year are in export supply, but not oranges. While fruit acreage may expand, no rapid rise of competition is seen from these commodities. A limiting factor is refrigerated ship capacity for fresh fruit especially for the European market. Canned peaches could constitute competition for markets in neighboring countries - up to possibly 200,000 cases a year as a maximum. Dried fruits, however, are another matter. Chilean producers fear the competition of the United States crop, especially of prunes, on the European market. Better than 7,000 acres are devoted to plums for drying, which have averaged a total yield of 15,000 short tons per year. Though a considerable portion of this is used domestically, exports are generally about 30% of the crop.

While fruit producers feel they could increase production and exports, it might be necessary to take land out of other crops to do this. Already the citrus growers are recommending against increased plantings, preferring to operate on a basis of scarcity in order to obtain higher prices. Olive plantings, however, are being encouraged and export of both oil and olives in brine will probably increase.

Import Needs

Chile imports wheat, vegetable oil, cotton, tallow, hides, meat, lard, butter and milk and until self-sufficiency is reached, will offer a market for imports of these agricultural products. The United States only obtains a portion of the market for most of these products when they are not in ready supply in Argentina, or when for various reasons, importers feel it more desirable to purchase in the United States or elsewhere in spite of the higher surcharge on imports from countries other than Argentina. Argentina is the source of most of Chile's agricultural needs, and a large portion of the market is assured Argentina under the bilateral treaty which provides for the exchange of minerals and timber for the above commodities.

Wheat production in Chile will probably be below requirements for some years to come in spite of increased areas to be brought under production and increased yields that may occur due to crop and cultural improvement. This deficit is expected to be not less than 220,000 short tons annually for the next several years. Argentina will continue to be the chief supplier, though dissatisfaction with contracted deliveries during the past year has forced Chile to look elsewhere to supply her needs. On this basis some 41,000 short tons of PL 480 wheat were purchased in the United States in 1955 and an additional 132,000 short tons were contracted for in 1956.

Oil from domestic sunflowerseed has averaged around 22,000 short tons per year over the last several years. Total vegetable oil consumption has been estimated at 53,000 short tons per year, but actual disappearance during 1955 was around 60,000 short tons. Argentina has been the usual source of Chile's edible oil needs until the shortage in that country. As supplies again become available in Argentina, Chile probably will turn there for her needs, leaving the United States as residual supplier, perhaps to the extent of 11,000 to 16,000 short tons per year, depending on availability in Argentina and rate of consumption in Chile. Chilean olive oil costs too much to be widely used by its people. Imports of edible and inedible animal fats have run around 2,200 short tons a year. Argentina has been unable to supply all of Chile's needs and some recent purchases have been made in Australia and the United States.

Chile is not a producer of cotton and imports all her supply. With its new cotton price policy the United States can expect to recover some of its former market in Chile. Should the contemplated new mills be erected and existing ones operate at capacity, there would be a total market for around 150,000 bales per year, including a reserve stock of 15,000 bales. It seems reasonable to assume that on a competitive price basis the United States could move between 50,000 and 60,000 bales per year.

The production of tobacco has averaged 6,000 short tons during the last several years. There is a demand for various types of imported tobacco which in the past have come from Cuba or the United States. Purchase from the United States of cigarette types decreased in recent years due to dollar exchange difficulties, and the quality of the manufactured product suffered. Under the 1956 PL 480 agreement, some 100,000 pounds will be imported. In addition, liberalization of exchange controls has resulted in dollar purchases, so that a total of over 350,000 pounds may have moved from the United States in 1956. Should conditions remain as now, it is expected that purchases of United States tobacco will not fall below this figure, even though additional domestic plantings are made.

It appears that a good market could be created for United States dairy products in Chile in cooperation with the local dairy interests if dry milk from Argentina did not have special privileges under the trade treaty. Butter imports have been better than 1,100 short tons per year since 1952, mainly from Argentina. Only in 1955 did United States butter enter the Chilean market and then in a small quantity. Should Argentina be unable to supply all of Chile's needs there might be a possibility there for the United States product.

Chile

Production of Important Food Commodities

1955 and 1956

Commodity	Production	
	1955 ^{1/}	1956 ^{2/}
	1,000 short tons	1,000 short tons
Grains ^{3/}	1,508	1,471
Potatoes ^{4/}	672	702
Pulses	116	128
Other vegetables	331	309
Onions	104	94
Garlic	9	9
Milk ^{5/}	451	438
Butter	7	7
Cheese	16	17
Eggs	33	34
Fruits ^{6/}	319	317
Sugar, Raw	7	11
Edible oil ^{7/}	20	22
Meat ^{8/}	211	209
Animal fats ^{9/}	18	19
Others	180	243

^{1/} Preliminary

^{2/} Estimated

^{3/} Based on rough grains. Includes rice, oats, wheat, barley, corn, rye and their sub-products.

^{4/} Includes Irish and sweetpotatoes

^{5/} Fresh whole milk basis, excluding butter and cheese.

^{6/} Grapes for wine manufacture not included.

^{7/} Includes crushing of domestic oil seeds during the period.

^{8/} Meat from cattle, sheep, goats and hogs.

^{9/} Includes lard, tallow and other animal fats.

Chile

Exports and Imports of Important Food Commodities
Indicating the United States Share

Calendar Year 1955

Commodity	E x p o r t s		I m p o r t s	
	Total Short Tons	United States Percentage	Total Short Tons	United States Percentage
Grains <u>1/</u>	36,163		282,189	7.0
Pulses	43,500	17.2	27	98.4
Onions	18,088	10.8	0	
Garlic	3,096	8.5	0	
Milk <u>2/</u>	0		90,097	87.6
Butter	0		1,313	2.0
Cheese	0		19	4.1
Fruits <u>3/</u>	18,092	38.4	19,783	
Sugar, raw	0		272,599	<u>5/</u>
Edible oils	0		28,382	61.0
Animal fats	0		3,869	0.5
Fish and Shellfish	1,407	98.0	11	0.5
Nuts <u>4/</u>	1,111		1	0.5
Honey	5,894	<u>5/</u>	0	
Coffee	0		7,437	1.2
Tea	0		4,759	1.1
TOTAL	127,351	14.2	710,486	16.4

1/ Grain statistics based on whole grain equivalents.

2/ Primarily powdered milk. Given in fresh equivalents.

3/ Fresh and dried fruits in actual weights.

4/ Unshelled basis.

5/ Less than 0.05 percent.

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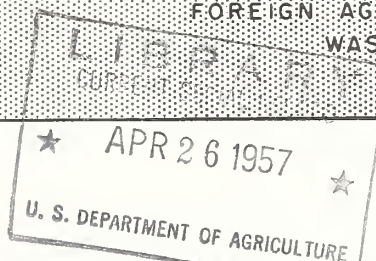
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FOREIGN AGRICULTURAL SERVICE
WASHINGTON, D. C.



FATP 5-57

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COUNTRY HIGHLIGHTS IN FISCAL YEAR 1955-56 U. S. AGRICULTURAL EXPORTS 1/

This circular--covering the fiscal year 1956--contains the latest available information on U. S. agricultural exports by country. For similar information covering the calendar year 1955, see circular FATP 17-56, issued June 15, 1956.

Statistics on agricultural exports and imports in greater detail, both commodity-by-country and country-by-commodity, will appear shortly under the title Foreign Agricultural Trade Statistical Report, Trade by Country, Fiscal Year 1955-56.

The United Kingdom was again the best U. S. customer in fiscal year 1955-56. In 1955-56, as in the two previous years, the five main foreign outlets for U. S. agricultural exports were the United Kingdom, Japan, Canada, West Germany, and the Netherlands. These five countries were in the same order in 1955-56 as in 1954-55 except that West Germany replaced the Netherlands in fourth place. In 1955-56, exports to each of these five nations was over \$250 million. Only one of the top five--Canada--took less in value than in 1954-55.

Smaller markets continue to increase in importance. The top five nations together accounted for 45 percent of U. S. agricultural exports in 1955-56 compared with 48 percent in 1954-55 and 50 percent in 1953-54; the 1955-56 increase for this group totaled 4 percent. Exports to the rest of the world increased by 18 percent. The bulk of the increase was accounted for by countries that individually took less than \$150 million in value. Two such countries stood out: Spain and Egypt; each roughly doubled its U. S. agricultural takings in 1955-56. Belgium, Italy, Mexico, Greece, Pakistan, and Austria also showed large gains.

Best customers were the industrial nations. A high degree of industrialization is a common characteristic of the five best customers. With the exception of Canada, these countries are densely populated and have limited opportunity for agricultural expansion. Increasing populations, improvement of diets, and industrial development signify greater requirements of food and raw material.

Government programs aided exports to many countries. Comparable data on exports by country of destination are not available for all Government programs. Under the Title I, P.L. 480 foreign currency sales program, exports were made to 25 countries in fiscal year 1955-56. Title I accounted for at least half the agricultural exports to Brazil, Argentina, Finland, Spain, Yugoslavia, Iran, and Israel. Thirty-odd countries participated in exports under barter (Title III, P.L. 480) which accounted for over one-fifth of farm exports to the United Kingdom, Ireland, Belgium, and the Netherlands. Donations to private welfare agencies for the overseas needy (also under Title III, P.L. 480) comprised nearly half of agricultural exports to India and about one-third of such exports to Italy, Jordan, and Indochina.

The Five Main Markets

Exports to the United Kingdom rose despite a 75-percent drop in cotton export value. Britain's economic progress since World War II has been marked by full employment and sharp increases in production and gross national product. U. S. agricultural exports to Britain gained in 1955-56 over the year before despite the severe drop in cotton to that country. Increased shipments of tobacco, corn, grain sorghums, and linseed oil in 1955-56 were the principal aids in maintaining Britain's traditional place as this nation's best overseas market for farm products. About two-thirds of the tobacco increase represented P.L. 480 Title I transactions, with most of the exports going into stocks. Larger exports of feed grains--needed for Britain's growing livestock numbers, especially following Europe's severe winter--were facilitated by the U. S. barter program. Shipments of linseed oil were stimulated by world prices being above the equivalent of domestic price support levels.

Larger agricultural exports to Japan in 1955-56 included more cotton, wheat, and soybeans than a year earlier. Japan, unlike other major consumers of U. S. cotton, took more in 1955-56 than in the year before, reflecting recovery in the textile industry. One-fourth of the 1955-56 cotton exports was under Title I; two-fifths, under Export-Import Bank loans. More U. S. tallow, barley, wheat, soybeans, and tobacco, and less corn and rice moved to Japan. Two-fifths of U. S. farm exports in 1955-56 were under Title I of P.L. 480; shares of main items: Rice, three-fourths; tobacco, three-fifths; wheat, one-third; barley, one-seventh. In 1954-55, there were no Title I shipments. Dollar earnings from special procurement and troop spending associated with the maintenance of U. S. security forces in Japan have helped to support the Japanese market where the United States is the principal agricultural supplier. Japan's population is increasing by more than 1 million persons a year. Japanese agriculture is already highly developed, and there is little opportunity for expansion in production.

Farm exports to Canada were well maintained. U. S. agricultural exports to Canada, the No. 3 market, were well maintained in 1955-56 despite large declines in cotton, corn, and potato shipments. These declines were partially offset by gains in other exports, including some vege-

tables and fruits, but total farm exports last year still were \$14 million under the year before. The higher Canadian standard of living and expanding population have been important factors in the large exports to that country. Canada has been both expanding agricultural production and improving efficiency; but--with the exception of grains, tobacco, and oilseeds--output has not been increasing as fast as demand. Because of its growth, its proximity to the United States, and relative freedom from trade restrictions, the Canadian market has developed into a large, convenient, and dependable foreign outlet for U. S. farm products.

West Germany showed largest percentage gain among top five markets. In fiscal year 1955-56, recovery in U. S. agricultural exports to West Germany, the No. 4 market, amounted to 11 percent of the previous year's trade, the same rate of increase as for U. S. agricultural exports as a whole. Both cotton and wheat exports went down sharply. But there were many increases, notably corn, grain sorghums, soybeans, tobacco, oranges, and tallow. Stronger demand for livestock products helped boost U. S. shipments of feed grains. Larger tobacco shipments went to rebuild stocks. Soybeans and tallow were encouraged by favorable U. S. prices. Shipments of Spanish citrus were limited by a freeze. West Germany, alone among the top five markets, has received large amounts of commodities donated to private welfare agencies for assistance to Eastern European refugees--8 percent of agricultural exports to West Germany in 1955-56. Barter shipments comprised 13 percent of farm exports in 1955-56 as against 6 percent of the total in 1954-55. Since the currency reform in 1948, production in West Germany has increased steadily and remarkably.

Exports to the Netherlands showed small gain. The small overall increase in agricultural exports to the Netherlands in 1955-56 conceals a number of sizable individual commodity shifts. Items receding included cotton, linseed oil, and lard. Increases were notable for feed grains, wheat, soybeans, and oranges. Fluctuations in shipments to the Netherlands, the No. 5 market, reflect more the transshipment trade of that country than internal consumption patterns. Wheat shipments increased for the second year, a reflection of smaller Dutch imports from Argentina and the USSR. More feed grains were needed in the expanding livestock operations. Barter helped greatly in these wheat and feed grain exports. As an important factor in U. S. farm exports to the Netherlands in 1955-56, barter contributed 22 percent of the total, compared with 7 percent in 1954-55. Smaller linseed oil exports in 1955-56 contrasted with the year before when considerable quantities from CCC inventories were sold at competitive world prices which were below domestic price levels. Dutch industrial production has been rising spectacularly, with the fast growing population an important factor.

Other Principal Outlets

Belgium took more U. S. feed grains--mostly under barter. Agricultural exports to Belgium increased by \$44 million from 1954-55 to 1955-56, of which \$35 million represented barley, corn, and grain sorghums. Barter

was important in this increase, accounting for 28 percent of farm exports in 1955-56 compared with 10 percent in 1954-55. Other gains were in tobacco, soybeans, and oranges. Cotton was down sharply.

Title I accounted for growth in farm shipments to Spain. The 87-percent increase in the value of exports to Spain in 1955-56 was an outstanding development. Title I shipments--which accounted for half the exports--contributed considerably to gains in commodities such as wheat, corn, tobacco, tallow, potatoes, and soybean, cottonseed, and linseed oils.

Title I also assisted in gain to Italy. Farm exports to Italy rose by \$16 million from 1954-55 to 1955-56, largely due to Title I shipments of tobacco, cotton, corn, wheat, and soybean and cottonseed oils, and to Title II donations. Increases in exports of many of these items and in tallow were more than enough to offset the drop in cotton exports.

Smaller value for Cuba reflected lower lard prices. An important U. S. export to Cuba is lard; more was shipped in 1955-56 than in the year before but lower U. S. prices caused the shipment value to decline by \$5 million. There were also small decreases in rice and other items, which contributed to an overall export loss of \$8 million.

Foreign currency sales maintained exports to Yugoslavia at high level. Farm exports to Yugoslavia in 1955-56 were down \$22 million from the year before. They again reflected continued U. S. assistance; Title I accounted for nearly two-thirds of the total compared with one-third in 1954-55. Three commodities predominated: Wheat, cotton, and lard. Exports of wheat and cotton were well maintained and exports of lard greatly increased by Title I transactions. Title I accounted for nine-tenths of the lard, three-fourths of the wheat, and half the cotton exported to Yugoslavia.

Agricultural exports to France declined--cotton main factor. Larger agricultural exports of corn, oranges, and other commodities to France in 1955-56 were insufficient to offset the reduction in cotton shipments. Total exports declined by \$20 million; cotton, by \$48 million.

Venezuela took more U. S. milk, eggs, and wheat flour. Dried whole milk, wheat flour, and shell eggs accounted for about half the value of U. S. agricultural exports to Venezuela in 1955-56 when increases in exports of these products accounted for a \$9-million gain in the agricultural export total. About four-fifths of U. S. dried whole milk exports were destined for Venezuela, which also is this country's foremost foreign outlet for shell eggs.

Mexico took more U. S. grains. A \$20-million recovery in 1955-56 shipments to Mexico--largely due to increased exports of grains and cattle hides--brought the total agricultural export value closer to 1953-54's \$100 million. There were large declines in cottonseed and lard but Mexico ranked second as this country's outlet for shell eggs. In its desire for self-sufficiency, Mexico has stepped up its agricultural

production, particularly of basic food crops. Nonetheless, the United States occupies a principal position in the Mexican market, with 15 percent of 1955-56 exports--mainly wheat--under barter as against a negligible amount in 1954-55.

Expanded exports to Egypt aided by Title I wheat. Agricultural exports to Egypt in 1955-56 were about double the 1954-55 value, with three-fifths of the gain due to Title I wheat shipments. All farm exports increased by \$25 million; wheat, by \$31 million, mostly under Title I and barter. No U. S. wheat was shipped to Egypt in 1954-55. Exports of flue-cured tobacco were up notably, but tallow declined to a negligible level.

Principal Destinations of the Main Commodities

Wheat export gain led by shipments to Egypt. U. S. shipments of wheat grain in fiscal year 1955-56 totaled 64 million bushels more than in 1954-55. Largest single increase was in exports to Egypt, which took 18 million bushels compared with none in 1954-55. Other notable gainers were Japan, the Netherlands, Brazil, Pakistan, and Italy. Japan was the largest outlet, taking 40 million bushels. Barter figured large in the Dutch takings. Brazil purchased U. S. wheat for cruzeiros when Argentine supplies ran low. Pakistan received emergency relief grants under Title II of P.L. 480. Italy took wheat under both foreign currency and barter provisions of the same law. Damage to winter grain in Northern Europe also led to larger U. S. shipments. Flour exports changed very little in 1955-56 compared with the year before.

Over half of U. S. rice exports was shipped to Asia. Milled rice shipments in fiscal year 1955-56 exceeded 1 billion pounds, with over half going to Asian countries under Government export programs, primarily sales for local currencies to Japan and Pakistan and emergency relief grants to Pakistan. The greater volume of rice shipped to Pakistan accounted for the bulk of last year's 238 million-pound gain in shipments to all countries. India and Indochina were also important outlets.

Bulk of feed grain exports went to Northwestern Europe. Credit for the 1955-56 record export volume of feed grains is due to competitive pricing, strong efforts under export programs, and rising demand abroad for meat and other livestock products. Government programs--principally barter--accounted for two-thirds of 1955-56 corn and sorghum exports and half of the barley and oats. Largest increases occurred for the principal markets: Corn, the United Kingdom; grain sorghums, West Germany; and barley, Belgium.

Cotton exports increased to Japan; down drastically to other major outlets. Cotton prices were not competitive during most of the year 1955-56, with the result that all major takers of U. S. cotton, except Japan, sharply reduced their imports from the United States. Japan's takings increased following recovery of its textile industry from the depressed state of the year before. Japan's takings were 38 percent of the total U. S. cotton export in fiscal year 1955-56 whereas in 1954-55 Japan's share was 19 per-

cent. U. S. cotton exports recovered somewhat during the year as a result of the special million-bale sale of CCC cotton in January and February 1956. A further stimulant has been the competitive bid sales for export of CCC upland cotton, but such cotton could not be exported until August 1, 1956.

Tobacco export rise showed larger sterling sales to the United Kingdom. The extraordinary increase in flue-cured tobacco exports in 1955-56 was about half due to larger shipments for foreign currencies under P.L. 480, mostly for stocks. The United Kingdom, Finland, Japan, and Thailand took more due to P.L. 480. West Germany obtained none under P.L. 480. The increase for Indonesia represented a recovery from a relatively low level of shipments in 1954-55.

About half of soybean export gain accounted for by shipments to West Germany. The 20 million-bushel gain in soybean exports in 1955-56 was accounted for largely by increased shipments to Japan, the chief outlet; West Germany; the Netherlands; Canada; and Belgium. Largest single gainer was West Germany: 9 million bushels. West Germany liberalized soybean imports in May 1955; that, together with the growth in that country's prosperity, was an important factor in the U. S. export gain. There was a good foreign demand for soybeans, soybean oil, and soybean cake and meal.

Linseed oil exports to Europe shrank sharply. Crude linseed oil exports in 1955-56 were much smaller than in the year before when exports included considerable quantities sold by CCC at prices below domestic levels. The total drop was 179 million pounds. Exports to the Netherlands declined 250 million pounds while shipments to other countries, principally the United Kingdom, gained 71 million pounds. Some of the oil shipped to the Netherlands frequently is involved in reexports to other West European countries.

Lard export gain reflected mainly foreign currency sales to Yugoslavia. The strong foreign demand for edible fats and oils in 1955-56 aided in the U. S. rise in lard exports. Principal outlet was the United Kingdom; Cuba was second. Together, they accounted for over half the export volume of 638 million pounds. Two-thirds of the overall gain in lard exports in 1955-56 was due to increased shipments to Yugoslavia under Title I. Mexico restricted imports in order to stimulate local lard production and to use up its increased output of cottonseed oil.

Tallow export gain was largest for Italy. Practically all major outlets for U. S. inedible tallow took more in 1955-56, with Italy showing the greatest gain and supplanting Japan as the top outlet. Competitive price and high quality have been the chief stimulants to greater exports. Main use for inedible tallow is the manufacture of soap.

More U. S. oranges were shipped to Northwestern Europe as result of Spanish freeze. However, Canada remained the best market, taking nearly one-half of all U. S. orange exports.

Major Markets for U. S. Agricultural Exports

Fiscal Years 1954 through 1956

Country	1954	1955	1956
<u>Million dollars</u>			
United Kingdom	281	380	395
Japan	473	341	372
Canada	259	301	287
West Germany	249	244	270
Netherlands	203	248	251
Belgium	75	90	134
Spain	70	67	126
Cuba	144	121	113
Italy	82	95	111
Yugoslavia	50	122	100
France	107	104	84
Venezuela	66	64	73
Mexico	100	44	64
Egypt	25	27	55
Greece	24	36	55
Philippines	53	58	55
Korea	51	50	49
Pakistan	69	10	48
Israel	42	41	41
India	41	45	40
Switzerland	35	39	40
Austria	24	20	35
Australia	28	34	30
Other	<u>385</u>	<u>563</u>	<u>665</u>
Total	2,936	3,144	3,493

U. S. Agricultural Exports
Principal Countries of Destination by Major Commodities

Country and commodity	:	:	Year beginning July 1			
			Quantity		Value	
			1954	1955	1954	1955
			Millions		Million dollars	
<u>United Kingdom</u>						
Flue-cured tobacco	Lb.		148.9	202.1	109.2	143.7
Corn, grain	Bu.		30.2	45.0	50.4	66.2
Wheat, grain	Bu.		25.6	23.3	37.6	38.0
Lard	Lb.		139.6	173.5	23.6	23.4
Cotton, excluding linters	Lb.		218.8	65.6	83.2	21.6
Grain sorghums	Bu.		6.2	15.7	6.3	16.7
Crude linseed oil	Lb.		11.2	55.9	0.7	5.7
Other	-	--	--	--	68.9	79.4
Total	-	--	--	--	379.9	394.7
<u>Japan</u>						
Cotton, excluding linters	Lb.		348.5	407.9	131.2	140.9
Wheat, grain	Bu.		33.0	39.6	56.2	62.1
Soybeans	Bu.		16.8	21.6	47.6	55.6
Rice, milled	Lb.		341.2	309.7	24.4	20.0
Barley, grain	Bu.		12.4	16.9	15.7	18.8
Tallow, inedible	Lb.		195.8	213.4	15.5	18.0
Flue-cured tobacco	Lb.		6.8	11.4	5.6	9.0
Corn, grain	Bu.		6.3	3.1	10.4	4.8
Other	-	--	--	--	34.5	42.4
Total	-	--	--	--	341.1	371.6
<u>Canada</u>						
Oranges, fresh	Lb.		396.0	399.9	22.8	23.8
Other fruit, fresh and frozen	Lb.		415.2	466.8	26.2	29.8
Soybeans	Bu.		7.9	8.5	22.7	21.3
Fruit juices	Gal.		15.7	18.7	13.7	18.8
Vegetable oils, expressed	Lb.		91.3	89.3	15.9	13.7
Cotton, excluding linters	Lb.		151.3	38.8	55.1	13.2
Fruit, canned	Lb.		68.2	59.1	11.1	9.4
Corn, grain	Bu.		8.0	3.4	13.9	5.4
Other grains and preparations	-	--	--	--	9.7	13.0
Tomatoes, fresh	Lb.		83.7	86.4	6.1	7.0
Potatoes, white	Lb.		292.0	180.8	7.5	5.5
Other	-	--	--	--	96.2	126.5
Total	-	--	--	--	300.9	287.4
<u>West Germany</u>						
Tobacco leaf	Lb.		46.7	72.4	29.6	45.7
Soybeans	Bu.		5.4	14.1	14.9	35.2
Wheat, grain	Bu.		27.0	16.8	47.2	29.1
Grain sorghums	Bu.		3.9	13.1	4.0	13.5
Cotton, excluding linters	Lb.		173.8	37.4	67.3	13.1

U. S. Agricultural Exports
Principal Countries of Destination by Major Commodities--continued

Country and commodity	:Unit:	Year beginning July 1			
		Quantity		Value	
		1954	1955	1954	1955
		Millions		Million dollars	
<u>West Germany--continued</u>					
Tallow, inedible	Lb.	99.1	124.8	7.0	9.6
Corn, grain	Bu.	3.4	6.1	5.7	9.1
Lard	Lb.	62.1	61.5	9.5	7.9
Oranges, fresh	Lb.	4.8	42.6	0.2	2.9
Other	-	--	--	58.8	104.1
Total	-	--	--	244.2	270.2
<u>Netherlands</u>					
Wheat, grain	Bu.	12.4	19.7	21.2	31.2
Barley, grain	Bu.	10.9	26.0	12.9	27.2
Soybeans	Bu.	5.6	9.8	16.2	24.4
Corn, grain	Bu.	9.8	14.0	16.2	20.3
Tallow, inedible	Lb.	155.5	177.4	12.6	14.3
Tobacco leaf	Lb.	33.0	34.3	14.3	14.2
Grain sorghums	Bu.	6.7	9.7	7.2	10.5
Oranges, fresh	Lb.	94.5	129.5	4.2	7.8
Linseed oil, crude	Lb.	295.8	46.1	20.9	5.7
Cotton, excluding linters	Lb.	46.9	3.8	18.4	1.5
Lard	Lb.	23.5	5.8	3.5	0.8
Other	-	--	--	100.8	93.3
Total	-	--	--	248.4	251.2
<u>Belgium</u>					
Barley, grain	Bu.	5.9	27.6	7.3	27.7
Corn, grain	Bu.	5.0	12.1	8.1	17.5
Grain sorghums	Bu.	6.8	11.8	7.9	12.7
Wheat, grain	Bu.	8.0	7.1	13.1	11.7
Tobacco leaf	Lb.	18.7	24.4	7.2	9.0
Soybeans	Bu.	0.6	2.0	1.8	5.0
Oranges, fresh	Lb.	50.9	73.5	2.4	4.4
Cotton, excluding linters	Lb.	11.6	7.2	12.4	2.3
Other	-	--	--	30.3	44.0
Total	-	--	--	90.5	134.3
<u>Spain</u>					
Cotton, excluding linters	Lb.	97.2	68.9	39.8	30.8
Other	-	--	--	27.3	94.8
Total	-	--	--	67.1	125.6
<u>Italy</u>					
Tallow, inedible	Lb.	165.6	243.0	12.4	19.5
Cotton, excluding linters	Lb.	123.5	49.8	47.9	16.9
Wheat, grain	Bu.	0.8	4.2	1.3	7.2
Corn, grain	Bu.	0.6	2.9	1.0	4.2
Other	-	--	--	32.4	63.2
Total	-	--	--	95.0	111.0

U. S. Agricultural Exports
Principal Countries of Destination by Major Commodities--continued

Country and commodity	Unit	Year beginning July 1			
		Quantity		Value	
		1954	1955	1954	1955
		Millions		Million dollars	
<u>Cuba</u>					
Rice, milled	Lb.	331.2	302.5	26.9	25.1
Lard	Lb.	160.9	164.9	23.2	18.6
Fruits and preparations	-	--	--	7.7	7.9
Wheat flour	Bag	1.6	1.6	7.4	7.3
Dried beans	Lb.	69.0	75.7	6.1	5.7
Other	-	--	--	49.9	48.5
Total	-	--	--	121.2	113.1
<u>Yugoslavia</u>					
Wheat grain	Bu.	40.2	37.5	84.0	61.4
Cotton, excluding linters	Lb.	49.4	48.0	17.9	16.2
Lard	Lb.	12.8	93.0	1.8	12.1
Other	-	--	--	18.5	10.7
Total	-	--	--	122.2	100.4
<u>France</u>					
Cotton, excluding linters	Lb.	203.4	86.8	77.5	29.8
Corn, grain	Bu.	1/	4.0	1/	6.2
Oranges, fresh	Lb.	9.1	47.8	0.4	2.7
Other	-	--	--	26.3	45.4
Total	-	--	--	104.2	84.1
<u>Venezuela</u>					
Dried whole milk	Lb.	31.5	37.2	15.7	18.2
Wheat flour	Bag	1.6	2.1	7.6	10.2
Eggs in the shell	Doz.	14.9	18.9	5.6	8.3
Other	-	--	--	35.4	36.3
Total	-	--	--	64.3	73.0
<u>Mexico</u>					
Wheat, grain	Bu.	0.2	4.0	0.3	7.2
Corn, grain	Bu.	1/	1.8	0.1	3.4
Other grains and preparations	-	--	--	2.8	3.5
Eggs in the shell	Doz.	19.2	15.7	5.6	5.0
Lard	Lb.	29.4	16.7	4.5	2.1
Other animal oils and fats	Lb.	56.6	67.4	4.8	5.9
Cottonseed	Lb.	36.7	19.9	3.3	1.7
Other	-	--	--	23.0	35.4
Total	-	--	--	44.4	64.2
<u>Egypt</u>					
Wheat, grain	Bu.	0	18.2	0	30.6
Flue-cured tobacco	Lb.	5.4	7.3	3.4	4.5
Tallow, inedible	Lb.	42.2	0.9	3.4	0.1
Other	-	--	--	20.1	20.1
Total	-	--	--	26.9	55.3

1/ Less than one-half unit.

U. S. Agricultural Exports
Principal Commodities by Major Countries of Destination

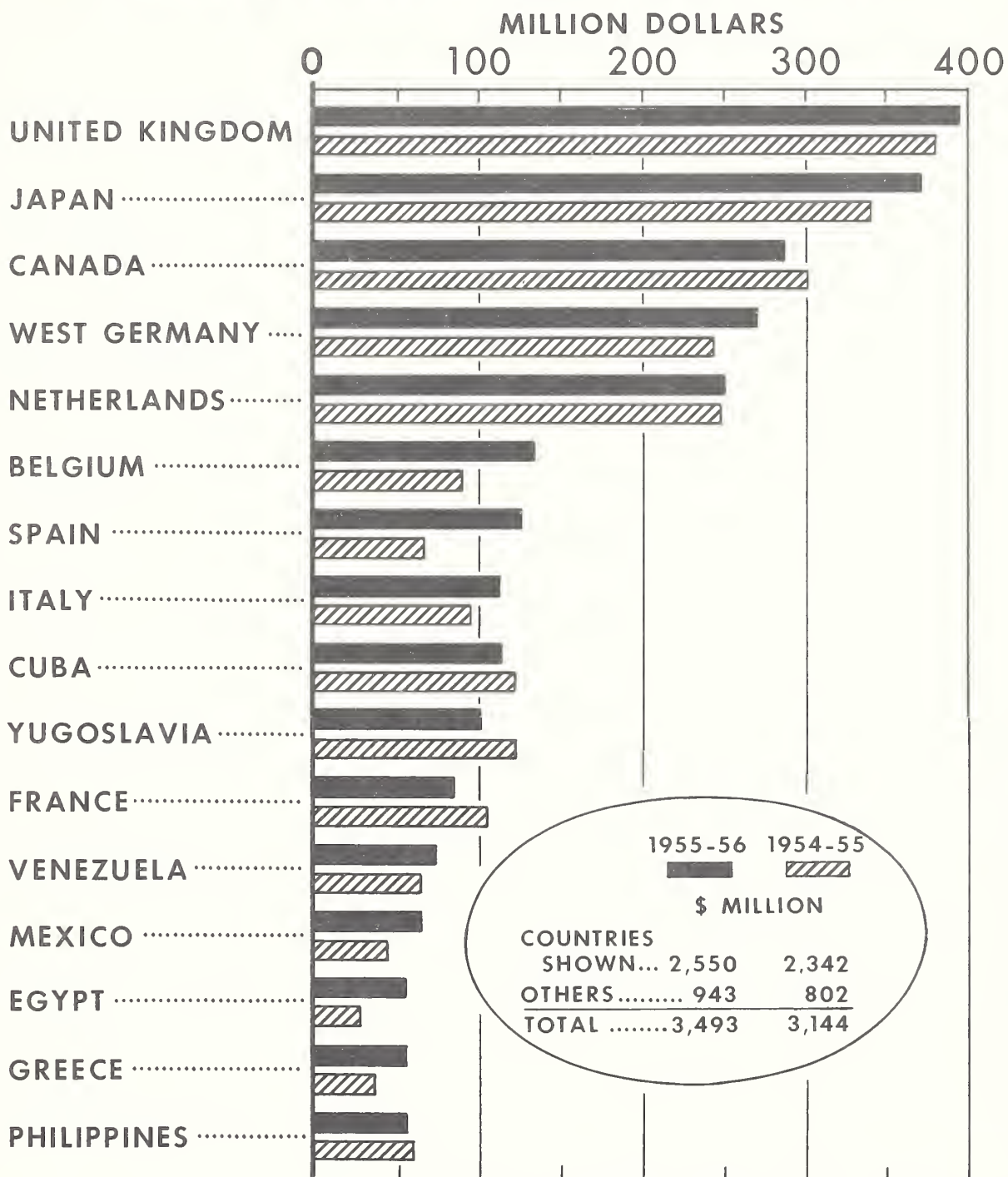
Commodity and country	Year beginning July 1		Commodity and country	Year beginning July 1	
	1954	1955		1954	1955
<u>Wheat, grain</u>	<u>Million bushels</u>		<u>Grain sorghums</u>	<u>Million bushels</u>	
Japan	33.0	39.6	United Kingdom	6.2	15.7
Yugoslavia	40.2	37.5	West Germany	3.9	13.1
United Kingdom	25.6	23.2	Belgium	6.8	11.8
Netherlands	12.4	19.7	Netherlands	6.7	9.7
Egypt	0	18.2	Norway	2.2	5.8
Brazil	8.9	16.8	Israel	2.6	4.7
West Germany	27.0	16.8	Japan	2.3	2.5
Greece	12.1	13.2	Other	4.3	9.4
Pakistan	0.3	4.7	Total	35.0	72.7
Korea	2.2	4.5			
Italy	0.8	4.2	<u>Barley, grain</u>	<u>Million bushels</u>	
Other	63.7	92.2	Belgium	5.9	27.6
Total	226.2	290.6	Netherlands	10.9	26.0
			Japan	12.4	16.9
<u>Wheat flour 1/</u>	<u>Million bags</u>		Other	10.9	27.3
Venezuela	1.6	2.1	Total	40.1	97.8
Philippines	2.4	2.1			
Netherlands	1.8	1.7	<u>Cotton, ex. linters</u>	<u>Million pounds</u>	
Cuba	1.6	1.6	Japan	348.5	407.9
Lebanon	1.4	1.4	France	203.4	86.8
Jamaica	1.1	0.8	Spain	97.2	68.9
Other	10.4	11.9	United Kingdom	218.8	65.6
Total	20.3	21.6	Italy	123.5	49.8
			Canada	151.3	38.8
<u>Milled rice</u>	<u>Million pounds</u>		West Germany	173.8	37.4
Japan	341.2	309.7	Belgium	11.6	7.2
Cuba	331.2	302.5	Netherlands	46.9	3.8
Other	171.9	470.3	Other	430.0	309.4
Total	844.3	1,082.5	Total	1,805.0	1,075.6
<u>Corn, grain</u>	<u>Million bushels</u>		<u>Flue-cured tobacco</u>	<u>Million pounds</u>	
United Kingdom	30.2	45.0	United Kingdom	148.9	202.2
Netherlands	9.8	14.0	West Germany	39.0	60.3
Belgium	5.0	12.1	Australia	27.4	30.3
Austria	3.5	8.1	Netherlands	25.4	26.4
West Germany	3.4	6.1	Belgium	13.8	19.2
France	2/	4.0	Philippines	16.3	12.8
Canada	8.0	3.4	Ireland	14.0	11.4
Japan	6.3	3.1	Japan	6.8	11.4
Italy	0.6	2.9	Indonesia	6.3	11.2
Mexico	2/	1.8	Thailand	6.0	9.5
Other	9.7	18.4	Finland	0.9	5.8
Total	76.5	118.9	Indochina	2.4	5.7
			Other	72.3	85.3
			Total	379.5	491.5

1/ Wholly U. S. wheat. 2/ Less than half a unit.

U. S. Agricultural Exports
Principal Commodities by Major Countries of Destination--continued

Commodity and country	: Year beginning : July 1	: 1954 : 1955	:	Commodity and country	: Year beginning : July 1	: 1954 : 1955
<u>Soybeans</u>	<u>Million bushels</u>		:	<u>Oranges, fresh</u>	<u>Million pounds</u>	
Japan	16.8	21.6	:	Canada	396.0	399.9
West Germany	5.4	14.1	:	Netherlands	94.5	129.5
Netherlands	5.6	9.8	:	Belgium	50.9	73.5
Canada	7.9	8.5	:	France	9.1	47.8
Taiwan	4.3	3.3	:	West Germany	4.8	42.6
Belgium	0.6	2.0	:	Switzerland	6.7	16.7
Other	<u>10.0</u>	<u>11.5</u>	:	Norway	6.8	14.2
Total	50.6	70.8	:	Other	<u>71.5</u>	<u>109.2</u>
			:	Total	640.3	833.4
<u>Linseed oil, crude</u>	<u>Million pounds</u>		:			
United Kingdom	11.2	55.9	:			
Netherlands	295.8	46.1	:			
Other	<u>7.7</u>	<u>33.5</u>	:			
Total	314.7	135.5	:			
<u>Lard</u>	<u>Million pounds</u>		:			
United Kingdom	139.6	173.5	:			
Cuba	160.9	164.9	:			
Yugoslavia	12.8	93.0	:			
West Germany	62.1	61.5	:			
Austria	23.1	31.3	:			
Mexico	29.4	16.8	:			
Peru	3.7	13.5	:			
Netherlands	23.5	5.8	:			
Other	<u>61.0</u>	<u>77.9</u>	:			
	516.1	638.2	:			
<u>Tallow, inedible</u>	<u>Million pounds</u>		:			
Italy	165.6	243.0	:			
Japan	195.8	213.4	:			
Netherlands	155.5	177.4	:			
West Germany	99.1	124.8	:			
Union of South Africa	62.0	65.0	:			
Mexico	49.6	54.4	:			
Belgium	33.2	50.9	:			
Egypt	42.2	49.0	:			
Other	<u>278.9</u>	<u>331.8</u>	:			
Total	1,081.9	1,309.7	:			

MAJOR MARKETS FOR U. S. AGRICULTURAL EXPORTS, FISCAL YEARS 1956 AND 1955



UNITED STATES DEPARTMENT OF AGRICULTURE

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U. S. DEPARTMENT OF AGRICULTURE

FATP 6-57

January 17, 1957

THE CANADIAN AGRICULTURAL SITUATION AND OUTLOOK 1956-57

During 1956 Canada's buoyant economy achieved new peaks of production and employment. The annual rate of gross national production reached \$29.5 billion in the second quarter, 10 per cent above the same period in 1955, and the highest on record. The consequent high level of personal income has assured a continuance of a strong consumer market for agricultural products. Both farm income and costs rose in 1956.

Summary: Canada's annual index of farm production reached 160 in 1956 compared with 150 in 1955, and 100 in 1935-39 according to preliminary production estimates. The increased output of grain, eggs, poultry, meat, dairy products, and tobacco will more than offset a reduced production of fruits, vegetables, and sugar beets.

Imports from the United States during the 1956-57 market year of citrus fruits, fruit juices, winter vegetables, and soybeans are expected to continue at a high level, and imports of raw cotton are expected to recover from the low rate of 1955-56.

Keen competition in the export market may be anticipated from wheat, barley, oats, flaxseed, and dairy cattle. Canadian flue-cured tobacco exports are expected to be above the level of 1956 but substantially below those of 1955. Butter stocks on January 1, 1957 in nine major cities were 18 per cent below the previous year and no urgency to find export markets was evident.

Canada: Food Per Capita - Apparent Domestic Disappearance

Item	Ave. 1935-1939	1953	1954	1955
		pounds		
Cereals, total	205.7	162.3	165.5	161.9
Potatoes, including sweet	192.9	156.4	146.2	143.0
Sugars and syrups	101.7	102.2	101.5	109.7*
Pulses and nuts	14.5	11.3	9.9	10.4
Fruit-fresh, canned, dried; juice				
frozen including tomatoes	138.7	213.7	216.8	227.1
Vegetables-fresh, canned, frozen	78.4	90.0	91.9	95.1
Oils and fats including butter	41.4	43.0	44.6	44.3
Meat	118.3	142.3	146.4	151.8
Milk and cheese	52.0	64.3	64.2	65.9

*Includes molasses for first time.

Grain and feed crops

Canada's supplies of both wheat and feedgrains are at record levels. For the three major grain crops--wheat, oats, and barley--production for 1956 was larger than in 1955, and in the case of each substantially above the 1945-54 ten-year average. Early frosts caught a considerable percentage of Canadian grain before it was harvested, resulting in a larger proportion of lower quality grain than in last year's crop.

The 1956 wheat crop is estimated at 538 million bushels, 9 per cent above last year's outturn of 494 million, and 21 per cent above the ten-year 1946-55 average of 446 million. This year's large crop, together with five others exceeding 450 million bushels in the previous six crop years, create a Canadian record for good successive crops, and something of a disposal problem. The acreage seeded to wheat declined by 1 per cent in 1956, while the yield per acre was 25.2 bushels compared with 23.0 bushels last year.

Total estimated supplies of Canadian wheat for the 1956-57 crop year amount to some 1,075 million bushels, consisting of the August 1 carryover of 537 million bushels and the 1956 crop, estimated at 538 million. After making an allowance of 160 million bushels for domestic requirements, about 915 million bushels are available for export and for carryover during 1956-57, compared with the 846 million available in 1955-56.

Canada continues vigorously to push grain exports. Activities of Wheat Board members and other officials have taken many forms in pursuance of the Government's policy of leaving no stone unturned to find markets for Canada's sizable wheat surplus. Among their activities was a trip by a representative of the Canadian Wheat Board to the Iron Curtain countries. The Canadian Minister of Trade and Commerce has made a trip to Japan to discuss the improvement of mutual trade. Special meetings were held in Europe during the autumn between representatives of the Wheat Board and Canadian trade commissioners so that these men would be fully posted as to grades and quality of available Canadian wheat in their day-to-day selling assistance rendered to the Wheat Board.

The Wheat Board in its program for disposing of lower grades of wheat has been successful in maintaining prices on higher grades of wheat at a firm level. Wheat and flour export sales July 1 - December 31, 1956 totaled 156.6 million bushels in terms of wheat, as compared with 116.1 million bushels for the comparable period of 1955.

Feedgrain supplies for 1956-57 are the largest on record. The combined supply of oats and barley exceeds 1 billion bushels for the first time. The export demand for oats and barley is stronger than a year ago. Shipments to the United States particularly have been above last year, but are below the average of previous years. Oat prices have been running about 5 cents per bushel over last year's prices.

Data are not available to indicate the quality of the 1956 barley. The early marketings were of excellent quality, while a portion of the later grain was frost damaged. Prices of malt barley are higher than a year ago, but feed barley prices are about the same.

Barley exports last year totaled 69 million bushels (including malt, pot, and pearl barley converted to barley) as compared with 81 million the previous year, and 46 million for the 10-year average 1945-46 to 1954-55. The principal markets were the United States, United Kingdom and Japan. Exports to the United Kingdom, however, declined sharply from the previous period.

Recent reports indicate barley exports to overseas markets and to the United States for malting purposes are moving in good volume. The Japanese demand for good quality barley is expected to continue strong, though for human consumption purposes the Japanese trade prefers California barley to the darker Canadian types.

Corn grown for grain production is estimated at 24.2 million bushels, 23 per cent below last year's record crop, but 44 per cent above the 1949-53 average of 16.9 million bushels. The 55.3 bushels per acre yield is, however, 11 per cent below the 1955 yield of 62.1 bushels. Corn imports are expected to be larger than a year ago. Only 2.5 million bushels were imported from the United States from August 1955 to June 1956, mainly for industrial uses.

The production of hay and forage crops is somewhat up. Tame hay, including clover and alfalfa is estimated at 20 million tons. The fodder corn crop is forecast at 3.5 million tons, about the same as for last season.

Canada's 1956 Grain Production with Comparisons

Grain	10 Year Average 1945-54	1955	1956	1956 Comparison with 10 year average	1955
	million bushels			percentage change	
Wheat	446	494	538	+21	+ 9
Oats	370	404	535	+45	+32
Barley	185	252	278	+50	+10
Rye	16	15	9	-56	-42
Mixed grains	54	65	65	+20	--
Corn	15	32	24	+60	-23

Livestock

Meat production in Canada for 1956 is expected to be at the greatest peacetime volume. Domestic disappearance of meat increased even more than production. With the prospect of a continued high consumer demand to absorb the 1957 marketings of all kinds of meats, the livestock industry is in a healthy position.

Cattle numbers reached an all-time high of 10,465,000 head on farms on June 1, 1956. Marketings in calendar year 1956 were the highest on record. Feeder cattle shipments to farm and feed-lot were 50 per cent above 1955 for the first three-quarters of the year.

Calf marketings in 1956 reflected the relative stability of the dairy industry in Eastern Canada and the growth of beef herd numbers in the Western Provinces.

The number of hogs on farms on June 1, 1956 was 5,680,000 or 6.5 per cent less than one year ago. Western Canada registered about 76 per cent of this reduction. Hog marketings during the first half of the year were substantially above those of 1955, but the last half of 1956 saw a sizable reduction in marketings below those of a year ago. It is predicted that the smaller marketings, as compared to those of the previous year, will continue during the first three-quarters of 1957.

Livestock prices improved during the year, particularly for hogs--encouraging farmers to maintain or even moderately increase their breedings. The retail prices of meats have reached a well-balanced point in relation to prices consumers will pay. There is evidence that pork prices at the end of 1956 may have reached that point at which consumers will select competitive beef and poultry meats.

A shift is taking place in the livestock and meat trade, which is significant to U. S. producers, since the United States is the recipient of all slaughter cattle, and three-fourths of all the meat exported by Canada. Exports of Canadian livestock to the United States in 1956 were less than those of the previous year. More beef but less pork moved south across the border in 1956. Through December 29 there was a 4.3 million pound increase in beef and an 8.5 million pound decrease in pork.

Beef imports into Canada are the highest in several years. The January-July 1956 imports were 7.9 million pounds, which is over 2 million pounds more than beef imports for the period in either 1955 or 1954. The United States supplied 82 per cent of these in 1955 and 87 per cent in 1954. If the movement of beef to Canada for the last five months of 1956 equals those of the past two years, the total for the year should be more than 20 per cent greater than for the previous period. Sheep and lamb numbers and marketings are practically the same as in 1955. Domestic disappearance of mutton and lamb is about double Canadian production. New Zealand and Australia supply the bulk of the mutton and lamb imports.

Animal fats

Lard and tallow production reflect the increased slaughter of hogs and cattle during the first seven months of 1956. Production of lard is expected to decline during the next 12 months as compared with a year ago. Tallow production should continue at nearly the same rate. Exports of tallow during January-July 1956 continued the upward trend of recent years. Lard exports and imports are relatively small. A substantial increased use of lard has occurred in the manufacture of domestic shortening.

Canadian Meat Supply and Distribution
(Inspected slaughterings or carcass gradings)

Item	Pork	Beef	Veal	Mutton & Lamb	Total Meats
<u>million pounds chilled carcass</u>					
1955					
Stocks at Jan. 1/55	34	26	4	4	68
Production	767	819	86	25	1,697
Imports	a/	46	a/	11	57
Total supply	802	891	90	40	1,822
Exports	79	10	a/	a/	89
Stocks at Dec. 31/55	36	32	5	5	79
Domestic disappearance	687	849	85	34	1,654
1956 b/					
Stocks at Jan. 1/56	36	32	5	5	79
Production	780	894	91	25	1,790
Imports	-	45	a/	8	53
Total supply	816	971	96	38	1,922
Exports	70	16	a/	-	86
Stocks at Dec. 31/56	30	40	5	4	80
Domestic disappearance	716	915	91	34	1,756

a/ Small quantities only, included with beef.

b/ All are estimates except for stocks at Jan. 1, 1956.

Dairy situation

The dairy industry is looking forward to a better balance between supply and demand. Fluid milk production is about 5 per cent above last year, and consumption of most dairy products continues to increase. Butter stocks on October 1 were 4 per cent lower than a year ago. Farm prices for milk in most areas remain steady.

Numbers of dairy cattle total about the same as in 1955 but the production per cow has increased. In addition to the increased fluid milk consumption, the production of cheese, evaporated whole milk, and condensed milk is also greater this year. The production of butter, ice cream, and skim milk powder is down slightly.

Butter production for January-September this year of 250 million pounds is 2 per cent below the corresponding period last year. The consumption of butter is up 3 per cent, and stocks on October 1 were 122 million pounds, or 4 per cent below the corresponding period a year ago.

Exports of dairy products in 1956 showed no marked trend. The butter shipment of about 2 million pounds to East Germany in January 1956 accounts for the increase in the 7-month period January to July. The Caribbean area and Venezuela continued to be Canada's principal export market for processed dairy products. The United Kingdom is a fair market for Canadian Cheddar Cheese.

Margarine production and consumption during the first nine months of the year did not continue its upward trend. Production for January-September this year was 1 per cent below the corresponding period in 1955.

Factory Output of Dairy Products - Canada
January - September 1955-1956

Product	1955	1956	1956 of 1955 Percentage
	(million pounds)		%
Creamery butter	256.7	250.5	-2
Cheddar cheese	64.6	67.7	+5
Process cheese	33.2	33.6	
Ice cream (gals.)	27.6	26.9	-3
Evap. whole milk	241.4	251.0	+4
Cond. " "	9.6	13.7	+43
Whole milk pwd.	17.7	16.7	-6
Skim " "	67.2	65.5	-2
Casein	5.4	6.8	+27
Margarine	90.8	90.1	-1

Exports of Dairy Products from Canada to All Countries
January-July 1955 and 1956

Item	Unit	1955	1956
Milk, fresh	gal.	4,138	nil
Butter	cwt.	4,267	20,684
Casein	1,000 lbs.	1,998	1,546
Cheddar cheese	cwt.	49,651	40,754
Cheese n.o.p.	cwt.	801	4,663
Milk powder, whole milk	"	93,776	82,500
" " skimmed milk	"	41,020	37,496
" " buttermilk	"	1,545	1,109
Milk, condensed	"	7,047	13,197
" , evaporated	"	28,697	35,439

Poultry

Outstanding in the poultry situation is the sharp increase in poultry meat production, especially by the chicken broiler and turkey producers.

The market for imported turkeys, broilers and fowls has also been good for United States products. Dressed poultry imports for the first 9-1/2 months of the year (13,694,000 pounds) were more than double the 1955 imports for the same period. It is anticipated that imports of poultry products will continue during the 1956-57 winter season despite large domestic production.

Egg production for the first nine months of 1956 was 4 per cent above the same period a year earlier. Egg prices to producers during the first 9-1/2 months of 1956 averaged 39.5 cents per dozen as compared with 36.3 cents for the same period in 1955. Eggs in storage on October 1, 1956 amounted to 900,000 dozen, the smallest stock for this date in several years.

Exports of eggs in the shell are continuing a downward trend. Exports during January-September totaled about 94,000 cases, which was slightly less than two-thirds the average of the exports for the comparable period in recent years.

Cotton

Imports of raw cotton from the United States may total about 350,000 bales during the 1956-57 marketing year, compared with only 98,000 bales in 1955-56, and an average of 324,000 bales for the five seasons 1950-54. Cotton mill activity for 1956-57 (August-July) is expected to equal or exceed the high level of the past season. Mill consumption of cotton during August-November 1956 amounted to 135,000 bales, 9 per cent above the 1951-55 average of 124,000 bales for the same months. Canadian mills are now buying Commodity Credit Corporation cotton and, if the present trend continues, they will be using approximately 90 per cent U. S. raw cotton this season as compared with slightly over 30 per cent last year.

The demand for cotton textiles continues strong. The volume of textile imports in 1956 is running about 30 per cent above last year. The volume of textile imports from the United States during January-June 1956 has increased over the corresponding period in 1955, but the U. S. percentage of the total has declined slightly. Imports of Indian and Japanese textiles have increased percentage-wise.

Fruits

Fruit production for 1956 is down sharply from last year's bumper harvest, mainly because of unfavorable weather. Prices for fruits, and particularly for apples, have been substantially higher. The trade is estimating that Canadian exports of apples to the United States from the 1956 harvest will be approximately 1.2 million bushels, as compared with 2.2 million bushels exported from the 1955 crop. The apple trade also expects to ship a fair volume to the United Kingdom.

Canadian Fruit Production

Fruit	Unit	1954	1955	1956*	Per cent 1956 of 1955
		<u>thousands</u>			
Apples	bu.	14,510	19,142	11,762	63
Pears	"	1,261	1,510	1,454	96
Plums and prunes	"	716	828	599	72
Peaches	"	2,425	2,883	1,716	60
Apricots	"	118	184	85	46
Cherries	"	600	763	440	57
Strawberries	qt.	27,971	22,674	17,505	77
Raspberries	"	12,839	12,099	5,339	44
Loganberries	lb.	1,518	1,237	344	28
Grapes	"	88,876	94,752	80,837	85

*Estimate

Imports of United States fruit--fresh, canned, juices, and dried--in 1955 totaled \$77 million. The indications are that the trade will be larger in the 1956-57 marketing year. The list of Canadian imports of specified United States fruits for the first eight months of 1956 indicates several changes from 1955:

1. Substantially increased imports of fresh oranges, peaches, pears, cherries, plums and grapes, canned peaches and pears, and other canned fruit, raisins, and citrus juice concentrated or unconcentrated.
2. Greatly increased imports of fresh and frozen strawberries, fresh prunes, and canned apricots.
3. Reduced imports of fresh lemons, apples, dried prunes, and canned pineapple.

In general two factors were apparently responsible for much of the increased imports of fruit and fruit products from the United States, e. g., the continued high level of economic activity in Canada, and reduced Canadian production in 1956 due to adverse weather conditions. The rise in the import duty, however, may have contributed largely to the reduced importation of canned fruit cocktail, and partly to the stronger consumer demand for United States canned peaches, pears, and apricots.

Vegetables

Consumer demand for fresh and processed vegetables remains strong in Canada. With supplies of fresh and canned vegetables smaller than in 1955, prices are generally higher. At the beginning of the crop year, stocks of canned vegetables were lower and the 1956 pack is small, so it is expected that there will be an increase in contract acreage for the principal crops in 1957.

Canada continues to be an excellent market for United States fresh vegetables. During the first six months of 1956 Canadian imports of fresh vegetables, excluding potatoes, amounted to \$21 million as compared with \$19.5 million during the same months in 1955.

There has been a sharp increase in both the production and imports of frozen vegetables. In 1946 the pack of Canadian frozen vegetables amounted to 16 million pounds, compared to 56 million in 1955. During this same period imports rose from 1.5 to 20 million pounds. The expansion of freezing and distributive facilities are expected to continue in 1957. The principal vegetables frozen in Canada are peas, corn, and beans. The 1956 pack may not equal that of 1955 because of unfavorable crop conditions last summer.

Canada's 1956 potato crop at 67 million bushels is slightly larger than in 1955. The 1956 crop is more evenly distributed, with the Maritimes production 9 per cent below 1955, but with 11 per cent higher production in Central Canada and production up 26 per cent in Western Canada. Exports from the 1955 crop amounted to 6.4 million bushels, partly due to the large exports to the U. S. during the latter part of the marketing season. With the larger U. S. crop, it is doubtful if exports from the larger 1956 crop will exceed 5 million bushels. Also, imports are expected to be smaller, primarily due to better geographical distribution of the Canadian crop.

The processing of frozen french fried potatoes in Canada is increasing rapidly.

Tobacco

Total production of all types of tobacco, an estimated 168 million pounds, is about 33 million pounds larger than the 1955 crop. This total is second only to the 185 million pounds produced in 1954.

The 1956 flue-cured tobacco production is estimated at 154 million pounds, as compared to 118 million last year. The larger acreage, amounting to 117,600 this year as compared with 98,311 for 1955, accounts for the increase. The Ontario Flue Cured Tobacco Marketing Association authorized growers to increase their acreage, and in spite of the unfavorable weather, yields per acre turned out to be slightly higher. The price established for the 1956 flue-cured crop in Ontario was agreed between the buyers and the Ontario Flue Cured Association at 45 cents per pound, as compared with 44-1/2 cents in 1955.

The volume of flue-cured exports from the 1956 crop is placed at 20 to 25 million pounds. Canadian stocks of flue-cured leaf on October 1 were the lowest in three years. Therefore, how much of the new crop will be used to increase domestic stocks is uncertain but it is estimated that 115 million pounds green weight of flue-cured tobacco will be required for Canadian domestic use during the 1956-57 season. Because of greater supplies, it is expected that foreign shipments in 1957 will be well above those of 1956 but substantially below the record level of 1955.

The Canadian burley crop is estimated at 7.5 million pounds, as compared to last year's 7 million. Again this larger production is the result of increased acreage in Ontario.

Canadian Exports of Bright Flue-Cured Tobacco
to Principal Countries of Destination

Destination	1955 Jan.-Sept.	1956 Jan.-Sept.
	<u>pounds</u>	<u>pounds</u>
United Kingdom	35,407,105	16,157,020
British Guiana	206,100	243,000
Barbados	180,000	225,000
Jamaica	1,117,800	1,158,300
Trinidad	885,600	995,400
Australia	3,000,206	1,527,750
Belgium	47,306	140,644
Netherlands	414,221	1,197,974
Ireland	60,000	115,029
Germany, West	-	791,040
Portugal	-	92,588
United States	-	37,358
Others	22,468	19,852
Totals	41,340,806	22,700,955

Oilseeds

Growing conditions for the 1956 oilseed crops were fairly favorable. As a result of the tremendous expansion in acreage and average yields, the 1956 production of flaxseed, rapeseed, and mustard seed is the highest on record. However, a portion of the flaxseed and rapeseed crops was damaged by frost and some low quality seed is expected to be on the market.

Soybean production, estimated at about 5 million bushels, is 12 per cent below last year's crop, but 51 per cent above the 1945-54 10-year average of 10.3 million bushels. The average yield per acre is placed at 21.8 bushels, as compared with 26.4 bushels last year.

Canada will continue to be an important market for United States soybeans and is likely to take at least 10 million bushels of beans and/or oil during the current marketing year. Increased consumption of soybean oil has reduced the demand for U. S. cottonseed oil. Imports of this oil during 1955-56 August-July totaled about 30 million pounds, as compared with 45 million pounds average during 1951-55.

The large exportable surplus of flaxseed from the 1956 crop probably will meet with stronger competition than in the previous season, as exportable supplies from Argentina will be much larger, reflecting a sharp recovery this year in flaxseed production in that country. No support prices are in effect on Canadian flaxseed.

The 1956 commercial rapeseed crop was officially estimated as of mid-October, at 305 million pounds, as compared with 77 million last year. The 1956 acreage was estimated at 357,000 as compared with 136,000 last year.

The 1956 rape crop was damaged by frost in late August and early September. No accurate estimates are available as to the extent of the damage. The Polish variety which represented about 30 per cent of the crop was well matured at the time of the frost. The Argentine and Golden varieties which represented about 70 per cent of the acreage were injured by the frost. A trade report estimated considerable frost damage for the two late maturing varieties.

Canadian Oilseed Acreage and Production
1954, 1955, and 1956

Commodity	Acreage			Production		
	1954	1955	1956	1954	1955	1956
	1,000 acres			1,000 bushels		
Flaxseed	1,206	1,838	3,141	11,238	19,748	34,057
Soybeans	254	214	228	4,953	5,650	4,980
				million pounds		
Rapeseed	40	136	357	28.9	77.4	305
Sunflower seed ...	20	18	25	14.0	14.4	17.5
Totals	1,520	2,206	3,751			

Maple products

The maple syrup and sugar output of 2.7 million gallons exceeded that of 1955, and also the 1949-53 average. Because crop prospects early in the season were poor, prices were generally higher. Quebec syrup at Montreal ranged between \$5.75 and \$6.00 per gallon, compared to a range of \$4.50 to \$6.00 in 1955.

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U. S. DEPARTMENT OF AGRICULTURE

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U. S. DEPARTMENT OF AGRICULTURE

The Agricultural Situation in Brazil in 1956

Weather conditions in 1956 reduced Brazil's production of several commodities below the 1955 level. Coffee output highlighted the reduction, followed by small declines for rice, beans, corn, cacao, and sugar. In terms of total value these crops represent about 60 percent of Brazil's total crop output.

Increases in output in 1956 over 1955 were realized for wheat - 26%; mandioca - 4%; and cotton. These commodities showing moderate increases in output between the last two years accounted, in value terms in 1955, for about one-fourth of Brazil's total crop output. In 1955, corn, coffee, cotton, rice, and beans accounted for 75 percent of the cultivated area and 64 percent of the total value of all crop production.

The Ministry of Agriculture reports that the total area cultivated in Brazil has increased by an average of four percent per year during the past five years, and reached an estimated total of 55.5 million acres in 1956. Increases in agricultural output over the past five years are alleged to have resulted mainly from new areas introduced to cultivation rather than adoption of improved production methods or rehabilitation of old farm areas.

Production of Principal Crops for 1955 and 1956

Commodity	Unit	P r o d u c t i o n	
		1955	1956
Corn	1,000 bushels	263,370	255,500
Wheat	1,000 bushels	20,000	27,500
Rice	Million pounds	8,239.6	7,600.0
Mandioca, root	1,000 short tons	16,384	17,069
Beans, dry	1,000 bags	32,518	32,295
Coffee 1/	Million bags	23.5	19.0
Cacao	Million pounds	357	348
Cotton	1,000 bales	1,650	1,700
Sugar	1,000 short tons	2,479	2,464

1/ Harvest year used; not marketing year as shown in Foreign Crops & Markets and World Commodity Table.

Latin American Analysis Branch

NOTE: For background information on Brazil policies, see: Foreign Agriculture, April 1949, May 1949, and January 1954; and Foreign Agriculture Circulars FATP 6-54 of August 5, 1954; FATP 28-55 of August 22, 1955; and FATP 34-56 of October 10, 1956.

Agricultural Policies Affect Production

The expansion of agricultural production is one of three major goals announced by the present administration of the Brazilian government. Agricultural price supports, increased farm credit, technical advances, including farm mechanization and improvement of marketing facilities, are the keystones of the agricultural program.

Minimum prices are in effect for a number of products. In recent years minimum price enforcement through government purchase has been ineffectual or partially inoperative because of producers' inability to meet specifications covering delivery, grade, sacking and fumigation of products to be sold to the government. Further, market prices exceed the minimum price for certain products from time to time. In addition, commodity institutes, such as those for rice and sugar, have separate minimum support prices and sometimes purchase surplus production. The Wheat Expansion Service announces annually an official minimum price at which mills are obligated to purchase the national wheat production. The minimum price for wheat is a notable example of commodities which enjoy a high support level. The minimum wheat price of Cr\$460 per bag at southern seaports ^{1/} is likely to encourage uneconomic production, and it has already fostered the nationalization of imported wheat. In addition, it creates the usual price equating problems that accompany multiple pricing of separate units of a rather homogeneous product.

Bank credit for agricultural and livestock production in Brazil is available to farmers from two major sources - the Carteira de Credito Agricola e Industrial of the Bank of Brazil, and, for cooperatives, the Banco Nacional de Credito Cooperativo. Interest rates for agricultural loans from these sources are usually 8% per annum. Bank credit for agriculture is also available through various state and private banks at varying rates of interest.

Deposits, rediscounting and various other forms of bank earnings are the principal source of the money used in agricultural financing, with the exception of the Carteira de Credito Agricola, which also depends on the profits from agio earnings (exchange premiums) from the foreign exchange auctions for part of its capital.

The Minister of Finance has proposed a plan for 1957 which would make agio earnings available for agricultural loans through State and private banks. If accepted, this plan would allow these banks to make loans at 8% interest which would be rediscounted at the rate of 5% with the Carteira de Credito Agricola and the Banco Nacional de Credito Cooperativo. Some objections have been raised to this plan since officials of the Bank of Brazil would be responsible for loans made by other banks without having direct knowledge of the integrity of the borrower.

^{1/} At the rate of exchange used for Government dollar wheat purchases of 43.82 cruzeiros this converts to \$4.76 per bushel; at the Public Law 480 rate of 50.06 it converts to \$4.17 per bushel.

A secondary source, but one of considerable importance in certain commodity sectors, are cash loans and advances of seed, insecticides, fertilizers, and some types of equipment by industrial or exporting firms interested in buying the production of tobacco, barley, oats, cotton, and some other products. Other financing is made to producers through autonomous commodity institutes, such as the Rio Grande Rice Institute, Wheat Expansion Service, Cacao Institute, Mate Institute, etc.

In order to provide more stability of agriculture and to put production financing on a more efficient basis, the government has given increased attention this year to crop and livestock insurance. The idea is relatively new in its development in Brazil as the National Agricultural Insurance Company (CNSA) was incorporated only on January 11, 1954. This authorized the use of funds from the National Treasury in conjunction with private capital of those registered insurance companies who wished to operate in the field of crop and livestock insurance.

The plan has already been extended to cattle, wheat, grapes, coffee, rice, and annual cotton, and other commodities are expected to be added this year. It has been especially successful to date among cattle, wheat and grape producers. Branch offices of the CNSA are located in Rio de Janeiro, Sao Paulo, Porto Alegre, Ponta Grossa and Uberaba.

Technical agricultural advances are being stimulated mainly by a gradually expanding program of agricultural research by universities, federal and state governments, and a new but thriving program for training agricultural extension workers. Government-fostered farm machinery imports, and farm credit to support mechanization and the adoption of new cultural methods, are the other main aspects of the agricultural production program.

There are currently being imported, on government account, 520 grain combines scheduled for use in the southern wheat area. In addition, the government is arranging terms for the importation by private firms of \$40 million of farm machinery from the U.S. Export-Import Bank loans will likely facilitate this import, and three year credit to farmer-buyers will facilitate the movement of this equipment into use.

Grossly inadequate land and water transportation facilities, and shortage of storage capacity and refrigeration have seriously impeded agricultural expansion of Brazil.

In recognition of these shortcomings the Brazilian government is:

- (1) increasing coastwise shipping - partly with vessels recently obtained from U.S. surplus;
- (2) allotting funds through the Bank for Economic Development to extend and improve railroads serving important agricultural areas;
- (3) undertaking an ambitious highway construction program, and making funds available for construction of elevators and warehouses in Rio Grande do Sul (wheat), and Pernambuco (corn, rice, beans, etc.), and packing houses in the west and north.

Public Law 480 loan funds are tentatively assigned to some of these projects including silo construction in south Brazil, expansion of Sao Paulo railroads, expansion of Central railroad, improvement of Parana River navigation, and packing houses and cold storage facilities in Mato Grosso.

Trade Trends

The estimated total value of agricultural imports and exports in 1956 is not yet available. The high value increase in coffee exports and sizeable decrease in wheat imports will no doubt result in a relatively favorable agricultural trade balance in 1956 relative to 1955. This result is consistent with Brazil's increasingly favorable overall current trade balance in 1956 and the accompanying growth in foreign exchange holdings. A tightening up on non-agricultural imports has been an even more important factor contributing to the favorable trade balance on current account.

There is a persistent tendency to grant foreign exchange and other concessions to stimulate the importation of certain industrial raw materials, supplies and equipment. On the other hand, the policy of closely restricting agricultural imports, other than essential production requisities, continues without relaxation. This situation, together with the drive for expanded agricultural output, suggests that at least for the year ahead, agricultural imports will continue to decline relative to total imports, and that agricultural exports will increase relative to agricultural imports.

If the foreign exchange position continues to strengthen, however, and the program for economic growth together with price and currency stabilization thrives, it is to be expected in the longer prospect that restrictions on agricultural imports will be relaxed somewhat and that imports may increase.



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THE AGRICULTURAL SITUATION IN THE PHILIPPINES, 1956

General Food and Price Situation

The past year has been a good one for agriculture in the Philippines. There was no serious weather damage to crop production and overall food supplies were probably better than in the previous year. In addition, output of several important commercial crops including coconuts, tobacco, and abaca was up as compared with a year earlier.

Rice, the predominant food in the Philippine diet, has been in good supply throughout the year as evidenced by the stability of prices. Distribution was reasonably good with a few isolated reports of temporary shortages. Likewise, corn has been in good supply most of the year with a few reported local shortages just prior to the new crop harvest. Vegetables, in general, have been ample throughout the year with the exception of cabbage. The short cabbage crop was reflected in higher prices for other vegetables. Domestic fruit, with the exception of mandarins and oranges, were in good supply during their seasons. The citrus crop, however, was somewhat short and very few fresh fruits are imported; therefore, prices were somewhat higher than the previous year. Meat, relative to the previous year, was in good supply due primarily to increased poultry and pork supplies and adequate imports. Prices of meat and meat products were relatively stable. Root crops for food were ample, generally speaking, but prices were a little higher due to increasing competition for cassava tubers for starch making.

The retail price index increased 4.2 percent (1949 = 100) during the 1955-56 fiscal year. This was caused in part by increased income of farmers due to price support activities in tobacco and floor prices and commodity loans to rice farmers, and a large coconut harvest. The coming year has all the aspects of being another good agricultural year. The rice crop looks good and weather has been favorable. Other food crops are reported good; fruits, root crops, and vegetables are expected to improve. There appears to be little expectation for improvement in the meat situation. Pork and poultry will be in a little better supply but beef will remain about the same. Should the President remove the ban on carabao slaughter, a relatively large number of these animals may be slaughtered since prior to the ban this was a substantial source of domestic meat.

Prices during the coming year are expected to continue to rise with the possible exception of rice. Prices are also expected to increase on most imported commodities and exchange allocation may be restricted somewhat. There are a number of inflationary factors in the economy which may be expected to accelerate this price rise.

Rice and Corn

Rice production during the 1955-56 crop year was 2,103,800 metric tons, milled basis, an increase of 1 percent over the previous year. Domestic production was supplemented by imports of 79,100 metric tons. The rice supply was ample throughout the year. Imported rice is usually a low quality product used for blending with better quality rice. However, in some instances, it is sold as received to low income groups at correspondingly low prices.

Prospects for the 1956-57 rice crop appear good. The latest forecast on probable production indicates an increase of about 5 percent to about 2,216,900 metric tons. If the production forecast is realized, the Philippines may be about self-sufficient in this product. There will be little need for imports except for stockpiling purposes which will help smooth out prices due to local shortages which develop because of inadequate transport facilities.

Shelled corn production in 1955-56 is estimated at 849,200 tons. Supplies were not sufficient throughout the year as shortages were reported during the past few months. Current crop year production is estimated at 923,200 tons, an increase of about 9 percent over the previous year. Increased production is attributed to larger area planted and better yields. Corn consumption may be expected to continue increasing due to the larger demand for mixed feed, primarily poultry feed.

No corn is imported into the Philippines because of Central Bank classification.

Wheat Flour

Wheat flour imports in 1955 were 244,700 metric tons, an increase of about 57,000 tons over the previous year. A large part of this increase was used to increase inventories and not immediately consumed. Wheat flour was decontrolled by the Central Bank in 1955 thereby making this build-up of inventory possible. The new tariff schedule that went into effect on January 1, 1956, was also an added incentive for larger shipments.

Because of the large carry-over of flour, imports in 1956 are at a lower level than during the previous year. Consumption of flour has not and probably will not increase materially. The average rural Filipino family has practically no facilities for baking, therefore, consumption of flour in these areas is limited to a few bakery products.

Root Crops

There is ample root crop production in the Philippines other than white (Irish) potatoes. The principal root crops are camote (sweet

potato), cassava, and gabi. Total production of root crops, including peanuts, in 1955-56 is preliminarily estimated at 1,403,200 metric tons. Sweet potato and cassava constitute 45 and 16 percent, respectively, of the total production.

Despite insufficient white potato production, imports are restricted. However, potatoes are not an essential starch food in the Philippines. Consumption is negligible compared with sweet potatoes and other root crops and is primarily restricted to metropolitan areas.

Fruits and Nuts

By volume of production, bananas, mangoes, pineapple and citrus fruits are the principal fruits in the country. Production in 1955-56 is estimated at 32,800 metric tons of citrus and 747,350 tons of all other fruits. Except citrus, production of these principal fruits is sufficient. Sizeable quantities of canned pineapple and some fresh mangoes are exported annually. Except for limited imports of oranges, tangerines and mandarins, other citrus fruits are banned. Oranges, apples, and grapes are the principal fresh fruits imported, while dried fruit imports consist mostly of raisins and prunes. The United States is the principal source of fruits, supplying 77 percent of the total imports in 1955-56. The Philippines will continue to import limited quantities of fruits, especially oranges, apples, grapes, and other fruits not produced in the country. Larger imports at this time do not appear probable because of exchange restrictions.

Canned pineapple and fresh mangoes are the only fruits exported in commercial quantities. The United States is the principal destination of canned pineapple while mangoes go primarily to Hongkong.

Vegetables and Pulses

Vegetable production in the Philippines is generally adequate for domestic consumption with minor exceptions. In the past year cabbage was in short supply because of below normal production while output of onions and garlic is often below domestic needs. Important vegetables produced in the country include tomatoes, eggplant, squash and such leafy vegetables as cabbage, mustard, and pechay or Chinese mustard. The Government allows importation of limited quantities of fresh beets, asparagus, and celery; and of canned asparagus, corn, pimientos, tomatoes, all kinds of dehydrated vegetable and vegetable sauces and juices except soybean and tomato catsup.

Onion production in 1955-56 amounted to 10,800 metric tons. The country could easily grow all its onion requirements, but the main problem lies in the lack of proper warehousing facilities. Local production during harvest (February to May) exceeds requirements, but adequate warehousing has not been available to preserve the surplus. Private importation of onions and garlic are banned to encourage local producers. However, during period of shortages, limited quantities are imported by the government.

Production of beans and peas in 1955-56 amounted to about 65,000 metric tons, increasing slightly over the 58,700 tons produced the previ-

ous year. Mung beans and cowpeas constitute a large portion of the bean production. While the importation of soybeans and castor beans are restricted to encourage the local industry, production has been insufficient to meet the need and controls have been somewhat relaxed to allow limited imports of soybeans.

Coffee and Cacao

Two of the new developments with a bright future in the country are the coffee and cacao industries. Plantings are now being expanded and imports were cut substantially during the past year to provide stimulus to the industry. The government is pushing the development of the industry by supplying planting materials at reasonable prices and providing credit, although insufficient, to assist in bringing these crops into production. It is expected that results of the combined government and private efforts will begin to be felt in the next few years. With the aid of the government through the Rehabilitation Finance Corporation, a private firm is planning to establish a coffee processing plant to standardize the quality of the product. Official sources predict self-sufficiency in coffee within the next six years. It is doubtful, however, if the Philippines will be able to compete in quality and price with Latin American coffee producing countries.

Although coffee production is expanding, most of the increase is from plantings of Robusta, Excelsa, and Liberica. The primary reasons for the planting of these inferior varieties are: 1. they are more resistant to coffee rust; 2. they can be grown at lower altitudes; and 3. the trees generally produce more heavily than the better varieties.

More interest has been developed in planting Arabica types but areas for expansion are much more limited than those available for the inferior varieties. It appears that the native, or Criollo variety, of cacao produces an acceptable bean; the principal drawbacks are lack of knowledge of insect control and relatively poor processing methods.

Livestock, Poultry, and Meat Products

The livestock and poultry industries are of minor importance in Philippine agriculture. The slow rate of increase in livestock population and an unstable land policy has made it difficult to attain self-sufficiency in meat production. The estimated livestock population of 11,179,000 head as of January 1, 1956, including carabao, cattle, horses, hogs, goats, and sheep, represents an increase of 8 percent over the previous year. The major portion of the meat consumption is supplied by small animals, namely, hogs and poultry.

As a result of the government ban on carabao slaughter (the major source of meat before restriction) imports of cattle for slaughter have increased substantially in 1955 and are expected to be even larger this year. Beef cattle and fresh beef are supplied largely by Australia.

Meat Products

The Philippines import substantial quantities of canned meat products. Supplies come primarily from the United States and Argentina. It is expected that these imports will continue until there is a substantial increase in the livestock industry. Imports of beef and beef meat products are decontrolled by the Central Bank; therefore, foreign exchange is readily available.

Dairy

The Philippines is a net importer of milk and other dairy products. The United States is the principal supplier of evaporated milk and other milk products while the Netherlands has been the main supplier of condensed sweetened milk during the past two years. The United States and Australia are the principal suppliers of butter and cheese.

Milk production in the Philippines is insignificant as compared with other countries of the world, and it appears that the development of the local dairy industry will be slow. Progress is hampered by climate and lack of adequate capital. A well-planned breeding and development program is needed before enough dairy animals are available locally to provide a significant portion of the country's milk requirements.

During the last year considerable additional interest has developed in the Philippines in recombined milk operations. At present, there are three recombining plants in operation. There is one other expected to be in operation by July 1957 and another within about 18 months. These two new plants will concentrate their efforts on a canning operation which will produce evaporated and sweetened condensed milk. These plants will produce a filled milk product using coconut oil for fat content.

Commercial Crops

Coconut Products

The coconut industry is the largest dollar earning industry in the Philippines. It provides a substantial percentage of the income of about 35 provinces and forms the main source of livelihood for around a million people.

Production of copra during the crop year 1955-56 totaled 1,235,600 metric tons (not including the copra equivalent of coconut consumed on farms). Of this amount, 933,800 tons were exported and 301,800 tons were crushed for oil. Coconut oil exports totaled 88,200 metric tons and local utilization is estimated at 102,000 tons. Production of desiccated coconut in 1955-56 totaled 45,400 tons, an increase of 1,100 tons over the previous year.

While coconut is principally an export commodity, it is also the main domestic source of supply of fats and oils. Local production of coconut

oil and oil products exceeds requirements. The government restricts the imports of other vegetable oils which compete with coconut oil. In 1955 food products produced from coconut oil included 10,100 metric tons of edible coconut oil, 2,647 tons of margarine, and 17,539 tons of shortening, while the remainder of the domestically consumed coconut oil was used for soap and other industrial purposes.

This year's combined production of copra and coconut oil in terms of copra equivalent is expected to exceed last year by about 20 percent. There is a changing pattern of copra exports with larger quantities moving to Europe. This shift is expected to continue.

Sugar

Though sugar is basically a food crop, it is principally an export commodity in the Philippines as the larger portion of production is exported. Sugar ranks second to coconut products as a dollar earner in the country. Sugar production is limited to the established quota, namely, 200,000 metric tons for domestic consumption, 863,650 tons for exports to the United States and 22,700 tons for exports to the free world. Centrifugal sugar production during the crop year 1955-56 amounted to 1,105,400 tons. Native sugar (muscovado) is unofficially estimated at around 45,000 to 50,000 metric tons and production of molasses amounted to 253,000 tons.

Fibers

Abaca or manila hemp is the most important fiber produced in the Philippines. Production in 1955-56 totaled 117,900 metric tons, an increase of 14 percent over the previous year. In 1955 the value of abaca fiber exports amounted to about 6 percent of total exports and ranked fifth among the principal export commodities of the country. Exports for the year ending June 30, 1956, amounted to 115,400 tons, an increase of 11,150 tons as compared with a year earlier.

The future of the abaca industry depends primarily upon the requirements of foreign consuming countries and the price relationship and substitutability of other natural and synthetic fibers. Increased buying the past year was the result of the continued increasing world-wide activity in shipbuilding and heavy construction, particularly in the United States, Japan, and the United Kingdom. Unless a strong demand develops and prices rise, production this current year is not expected to equal that of the past year. Japan is expected to be less active in the market due to dollar shortage and United States and United Kingdom demand is also expected to be weaker due to heavy purchases during the past year.

Philippine production of cotton is insignificant in comparison with consumption. Despite government efforts to encourage production, the area planted in 1955-56 was decreased from the previous year. Government plans for a large scale cotton project this current year have been revised downward substantially. Production will be small - probably about 400 bales. With the addition of at least one operating mill during the 1956-

57 crop year imports will possibly be larger than the previous year. Total consumption of all mills in 1956-57 is expected to be about 9 million pounds.

Ramie, maguey, canton, buntal, kapok, sisal, and jute are the other fibers produced in the Philippines. But during 1955-56 only the production of ramie, maguey, buntal, and kapok had any significance. Like abaca, production of most of these fibers depends largely on foreign demand. Since competing fibers from other countries are available at lower prices, production the past two years was reduced substantially.

The prospects for ramie is much brighter than for the other fibers. Local speciality demand is good but the lack of processing mills in the country has resulted in high retail prices of finished goods. At present, practically all production of this fiber is shipped to Japan for processing and then returned in the form of finished goods. The National Development Company, a wholly owned government corporation currently engaged in cotton spinning, is establishing a ramie weaving and finishing mill which it hoped to have in operation by December 1957. While the operating date appears to be optimistic, the establishment of a local ramie mill is expected to develop the ramie industry to a great extent. There are also good prospects for one and possibly two other mills. However, these will depend primarily upon the government's attitude toward granting dollars for purchase of necessary machinery and equipment.

Tobacco

Perhaps the fastest growing industry in the Philippines today is the Virginia tobacco industry. The government, in its effort to save dollars formerly spent to import tobacco and tobacco products, encouraged the cultivation of this crop by establishing a high price support schedule. As a result, production increased from about 2,050 metric tons in 1953-54 to 6,830 tons in 1954-55 to 22,190 tons in 1955-56, farm dried weight. Early forecasts place the 1956-57 production at 34,000 tons.

Since present production exceeds the estimated consumption of about 13,600 tons, it is doubtful if imports of leaf tobacco will be permitted. The country is now in a surplus position and disposition by export is not probable because of the low quality and the high price of tobacco.

Price incentive in Virginia tobacco production has caused neglect of the native leaf tobacco industry. Native leaf tobacco production in 1955-56 is estimated at about 13,000 tons from 49,100 acres harvested. This compares with 18,700 tons harvested from 77,700 acres during the previous year. Although plantings in 1955-56 were below a year earlier, both harvested acreage and production were reduced considerably by typhoons during the year.

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FATP 9-57

January 31, 1957

Agricultural Policy of Nicaragua

Agriculture occupies a predominant place in the economy of Nicaragua. The gross national product was estimated to be 147 million dollars in 1950 of which 60 million dollars or 40 percent was derived from agriculture. Because of the importance of agriculture to the economy, particularly from the standpoint of foreign exchange earnings, the government of Nicaragua has developed devices to stimulate production and export of its best dollar earners -- cotton and coffee. Nicaragua has developed its cotton industry from 53,000 bales in 1952-53 to the point where it is now the major agricultural export of the country, with 160,000 bales grown in 1955-56. While increasing exports, the government has maintained supplied of the staple commodities, corn, rice and beans, by supplemental imports.

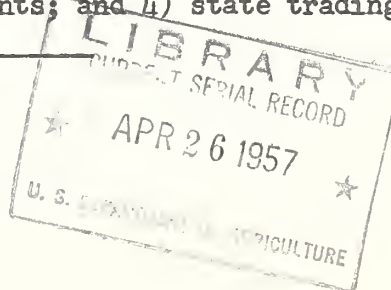
The government utilizes two rates of monetary exchange, one for imports and another for exports. Import items are placed into categories according to national need, and a prior deposit of up to 100% is required by the government on some items as a prerequisite to obtaining an import license.

Among the programs initiated by the government to develop agricultural production are the expansion of the Agricultural Extension Service; the promotion of the use of fertilizers, particularly for coffee; an ambitious road building program; an improved system of agricultural credit; and the development of a modern school of vocational agriculture.

Trade Regulation

In carrying out its program of economic development the Government of Nicaragua has followed policies which both facilitate and retard foreign trade. Among these are the following: 1) tariff policies which protect domestic industry, provide revenue, and deter imports; 2) restriction of import of luxury items to conserve foreign exchange; 3) participation in various bilateral and special multilateral trade agreements; and 4) state trading.

Latin American Analysis Branch



Nicaragua's new import tariff law was established June 1, 1955 and includes a combination of both specific and ad valorem duties. The government also charges dock fees at the port of Corinto. Imports are charged C\$13.20 1/ for each 1,000 kilograms of merchandise, while dock fees on exports vary from C\$1.20 per head of livestock to C\$13.20 per ton on coffee, rubber, hides and skins, and balsam.

In addition certain agricultural products when exported, pay an export tariff. Included are bamboo, bananas, coffee, coconuts, livestock, various hides and skins, rubber, lumber and dyewood. Cotton is exempted from this list.

Monetary Exchange Policy

The monetary exchange system of Nicaragua serves to stimulate or retard the production and export of agricultural commodities. The government stimulates production and export of good dollar earning commodities through offering producers a more favorable rate of exchange for the desired commodity than they could receive for an alternative crop. At the present time this incentive is offered to the cotton growers. Whereas most exporters are allowed C\$6.60 per \$1.00 U.S., cotton growers have been promised a rate of C\$6.80 per U.S. \$1.00 for the 1956-57 crop.

The monetary exchange system also has an effect upon the imports of agricultural products. A prior permit for each importation must be obtained from the National Bank. The importer must pay 7 cordobas to 1 U.S. dollar. Import commodities are classified in one of three categories according to national need. Before an import permit is issued to an importer a certain percentage of the C.I.F. value of the commodity (depending upon the category) must be deposited with the National Bank. Items in Category I require no prior deposit. Those in Category II require 50 percent prior deposit, while those in Category III require a 100 percent prior deposit. Category I is comprised mainly of different kinds of fertilizers, insecticides, and fungicides, and repair parts for agricultural machinery. Category II consists mainly of animals for breeding and food prepared and processed for children. The remaining agricultural imports fall into Category III.

Bilateral and Multilateral Agreements

The Republics of Nicaragua and El Salvador are parties to a so-called treaty of Free Commerce. Commodities listed under the agreement must have originated in either country and consist of the natural products of either country. Manufactured articles must be made substantially of raw materials of either country. Nicaragua is considering similar bilateral agreements with other Central American nations. A similar project to this treaty with El Salvador, but one of much broader scope, is the proposal for establishing a multilateral treaty of Free Commerce and Economic Integration of all Central American nations.

1/ 7 cordobas = 1 U.S. dollar.

Nicaragua is at present considering a draft form of this treaty with the other Central American nations.

Traditionally, the bulk of Nicaragua's foreign commerce has been with the United States. A formalization of the traditionally friendly and close economic ties between Nicaragua and the United States is the treaty of friendship, commerce and navigation signed in January 1956. It sets up agreement regarding trade regulation, restrictions, prohibition, and commerce as they relate to the two countries. The treaty is in conformity with the GATT obligations of both countries.

Nicaragua also obtains a large portion of its wheat and flour requirements through the facilities of the International Wheat Agreement. Equitable distribution and orderly management of wheat imported under the agreement are regulated by the government.

Government Participation in Commerce

Government regulatory activities connected with the importation and exportation of agricultural products have some effect on foreign commerce. The National Development Institute imports corn, beans, and rice which it sells in the domestic market to supplement national production. When such imports are made the Institute is exempt from the requirement of prior deposit.

In periods of shortage of any agricultural commodity the government is empowered to invoke the law of consumer protection which was established in January 1955. This law is intended to establish orderly procedures for retaining needed supplies and facilitating supplementation of deficient supplies. It provides that: 1) articles declared scarce may not be exported; 2) all prior authorization to export scarce articles be cancelled; 3) scarce articles be transferred to International Exchange List I, and imports allowed up to a set, periodic quota; 4) such import authorizations be valid for the duration of the scarcity and an additional 30 days beyond; 5) customs, import charges, wharfages and other payments may be relaxed or removed at the discretion of the Ministry of Economy to insure reasonable prices to consumers. The law was used in June 1955, when shelled corn, dried beans, milled rice (in the Atlantic Coast area), grain sorghum, potatoes, fresh fruits, and vegetables were declared scarce throughout the country. Quotas were set for importers for the importation of corn, beans and sorghum. No quotas were set for potatoes and vegetables. All commodities were to be imported within one month and all were placed in Category I of the International Exchange list.

Another instance of government participation in commerce is its operation of a large, modern grain elevator in Managua. Prior to the establishment of the elevator, shipments of corn and beans from abroad during periods of scarcity and their distribution within the country were erratic. Often the result was widely fluctuating prices to consumers, at times so high as to be prohibitive, unless controlled by the government. The grain elevator serves to maintain a constant supply, thus functioning as a price stabilizing influence on the internal wholesale and retail prices of corn and beans. The government fixes minimum prices the granary will pay farmers and the prices at which the

granary will sell for consumption. The government, however, does not pay the cost of transportation to the elevator. Because of this farmers in outlying areas find it more profitable to sell their corn and beans through established marketing channels. There has not been much surplus produced in the area adjacent to the elevator in recent years due to the increased acreage devoted to growing cotton. Thus the elevator serves mainly as a storehouse for imported corn and beans.

Other Government Regulations Affecting Trade

1. Under the law regulating foreign exchange exporters must obtain export license from the National Bank and give bonded guarantees that all foreign currency realized from exports will be returned to Nicaragua within 90 days. When the foreign currency is received the exporter must convert it to cordobas at the rate of C\$6.60 for one U.S. dollar.

2. The Government requires that a margin of tolerance equal to 10 percent of the value of imports be added to cover customs clearance and draft liquidation.

Programs and Policies to Protect or Improve Agriculture

Expanded Agricultural Credit

One of the chief reasons for the growth of Nicaragua's agriculture has been the government's credit policy. Crop loans from the National Bank in the crop year 1955-56 reached C\$152,810,000, compared to the C\$21 million in crop loans in the 1950-51 crop year. This represents an expansion of more than 700 percent. The rate of interest charged has been 6 percent plus one percent commission for all crop loans. For the 1956-57 crop year, however, the interest rate for production loans has been lowered to 4 percent plus one percent commission on all crops with the exception of sugar for which the 6 percent rate will be maintained.

In the case of production loans to cotton growers the National Bank in 1955-56 lent a maximum of C\$1,050 per manzana ^{1/} to tractor farmers, and C\$1,100 per manzana to farmers without tractors. The same amount will be lent to cotton growers for the 1956-57 cotton crop and an additional C\$120 will be added for those growers who wish to use fertilizer. Borrowers who were unable to repay their 1955-56 cotton loans have been granted additional time and at the end of the 1956-57 year the National Bank will study each case to determine the settlement action.

Longer term development loans are available to Nicaraguan farmers through the National Development Institute. This agency provides credit for the purchase of breeding stock, and the purchase of imported goods such as farm machinery, fencing wire and irrigation equipment. The Institute also functions as the administrator of funds borrowed from the International Bank for Reconstruction and Development (IBRD). Nicaragua has borrowed \$3.25 million from the bank for agricultural development.

^{1/} One manzana = 1.7297 acres.

There are several private credit sources in Nicaragua, but their rates of interest are considerably higher.

Encouragement to Foreign Investors

The investment climate in Nicaragua is favorable to foreigners who enter into agricultural enterprises. The foreign investment law (March 1955) provides the following inducement to investors: 1) free withdrawal or re-export at anytime of all or part of the registered capital; 2) free and unrestricted remittance of net profits corresponding to registered capital, and interest in the case of borrowed capital; 3) free re-export and transfer of machinery and physical equipment and freedom to re-export the exchange realized from the sale of the equipment not to exceed the registered value; 4) enterprises based on foreign capital are to remain subject to Nicaraguan legislation and enjoy equal treatment with that enjoyed by national concerns. Labor laws, tax laws and administrative regulations are not permitted to discriminate against foreign capital.

This is an important means of expanding the agricultural production of Nicaragua, and a considerable number of United States citizens are active in the country, enjoying the benefits of the foreign investments program.

Transportation

Most of the potentially good but unused agricultural lands in Nicaragua are not served by roads. Considerable expansion in agriculture can be expected when these areas are accessible. The road improvement and road building budget for 1956 is C\$50 million, an increase of C\$13 million over the 1955 budget. The Rama road is being pushed by the government with aid from the United States. This road will connect Managua with deep river transportation leading to the Atlantic. It will open up vast lands in the East which at present are connected to the more developed parts of the country only by air. In this East coastal area is some good, partially used land for agricultural development of such crops as cocoa beans, rubber, and African palm oil.

Technical Services to Agriculture

The Ministry of Agriculture has made great strides in recent years in developing extension and research services for the nation's farmers. The Extension Service headquarters is located near Managua, with agencies in each department to disseminate information. The service utilizes demonstrations at its Managua station, farm visits by agents, short courses, radio programs, newspapers and a large array of extension techniques. The research service has provided better varieties of corn, forage crops, cotton, sesame, potatoes and other crops. Work has also been done in the fields of insect and disease control for crops and livestock. It has also shown farmers better livestock feeding and management practices.

The Ministry has recently established a school of vocational agriculture. Each succeeding graduating class is better trained and in greater demand, for service in the field of agriculture in Nicaragua.

The National Development Institute also provides technical services in relation to its various programs. The technicians of the Institute have been active in the United States since 1954 selecting about 700 purebred bulls of various dairy and beef breeds. The Institute's livestock program is concerned with improved feeding and management, breeding, health and hygiene, and with improving marketing facilities such as milk plants and slaughter houses.

Trade

Except for cotton most of Nicaragua's export trade and the principal part of its import trade are carried on with the U.S. The major exports are coffee and cotton followed by gold, lumber, cottonseed, and rice.

The value U.S. imports from Nicaragua in 1955 would be about the same as a year earlier (Table 1), but U.S. exports of agricultural products about doubled in value. The major U.S. export is wheat flour, followed by lard, dairy products, and beans (Table 2).

Table 1. U.S. Imports from Nicaragua of Principal Agricultural Products.

<u>1954-1955</u>					
	<u>Unit</u>	<u>Quantity</u>		<u>Value</u>	
		<u>1955</u>	<u>1954</u>	<u>1955</u>	<u>1954</u>
		(Thousands)		(Dollars)	
Coffee, raw	Pound	36,717	30,762	20,745	20,254
Sesame	Pound	5,546	11,482	1,042	1,988
Sugar	Pound	14,637	17,466	771	890
Other agri- cultural products				<u>712</u>	<u>744</u>
Total				23,270	23,876

Table 2. United States Exports to Nicaragua of Principal Agricultural Products.

<u>1954-1955</u>					
	<u>Unit</u>	<u>Quantity</u>		<u>Value</u>	
		<u>1955</u>	<u>1954</u>	<u>1955</u>	<u>1954</u>
		(1,000 Units)		(1,000 Dollars)	
Cattle, for breeding	no.	<u>2/</u>	<u>2/</u>	164	45
Dairy products		<u>1/</u>		253	225
Lard	lb.	1,915	328	289	65
Tallow, inedible	lb.	1,792	1,372	182	125
Fruits and preparations		<u>1/</u>		155	108
Corn, grain	bu.	<u>53</u>	<u>2/</u>	105	<u>2/</u>
Oatmeal	cwt.	10	<u>7</u>	163	108
Wheat flour	cwt.	203	126	929	607
Other grains & prep.		<u>1/</u>	<u>1/</u>	259	155
Vegetable oils & fats	lb.	<u>401</u>	<u>201</u>	108	47
Tobacco, unmanufactured	lb.	629	477	346	261
Beans, dry	lb.	4,000	10	340	1
Other vegetable & prep.		<u>1/</u>	<u>1/</u>	173	96
Other agricultural products		<u>1/</u>	<u>1/</u>	471	251
Total				3,937	2,094

1/ Reported in value only.

2/ Less than 500.

Table 3. Nicaragua Exports of Principal Agricultural Products for 1954-1955.

	<u>Unit</u>	<u>Quantity</u>		<u>Value</u>	
		<u>1955</u>	<u>1954</u>	<u>1955</u>	<u>1954</u>
				(Million Dollars)	
Cotton, raw	Bales	193,876	102,276	31.0	16.8
Coffee	1000 lbs.	53,490	37,573	27.9	25.1
Gold	Kgs.	7,201	7,241	8.1	8.2
Lumber	1000 BFT.	37,347	31,562	3.5	2.9
Cottonseed	1000 lbs.	141,541	70,730	3.3	1.5
Sesame	1000 lbs.	11,058	14,370	1.7	2.2
Livestock	No.	20,159	21,871	1.2	1.1
Sugar	1000 lbs.	19,367	23,636	.9	1.1
Rice	1000 lbs.	5,886	22,485	.3	1.3
Other agricultural products				2.1	2.5
Total				80.0	62.7

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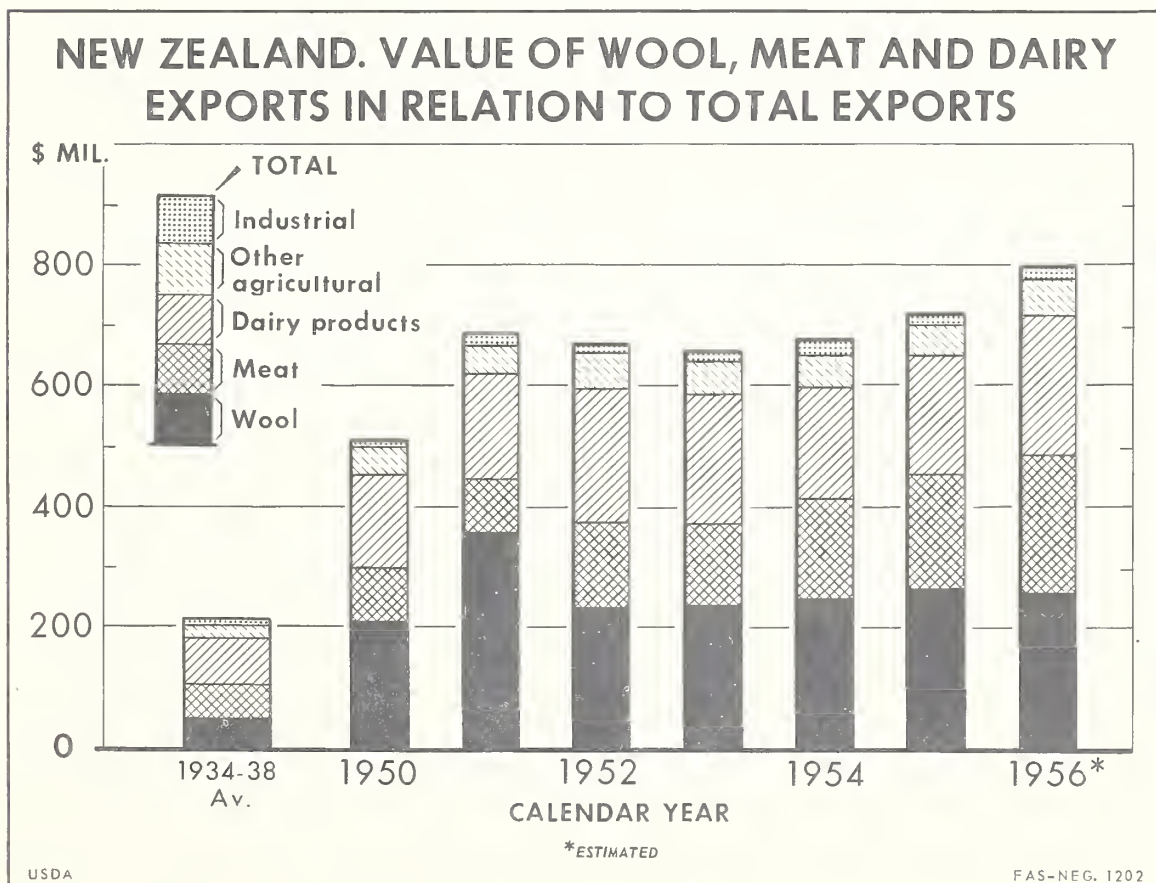
January 29, 1957

NEW ZEALAND'S AGRICULTURAL PRODUCTION AND TRADE POLICIES

Dependence on Agricultural Exports

New Zealand's economy is based on a pastoral agriculture emphasizing the production of wool, dairy products, and meats. This country is one of the world's largest exporters of livestock products and agricultural commodities account for more than 90 percent by value of all export revenue. (See Chart 1). The chief exports are wool, meat, dairy products, tallow, and hides and skins.

CHART 1



As a result of this dependence on agriculture, the New Zealand Government has embarked on a policy of greater intensification of farming through improved production techniques and increased land development. Modern farming methods include aerial top-dressing, the use of improved grass seeds, and better animal breeding programs. About 50,000 acres of new pastures are brought into use each year as the result of special government programs. In addition, large areas of older pasture lands and hill farms are brought back into production each year through resettlement programs for ex-servicemen. All of these factors contribute to efficiency in production which tends to offset the increasing costs of labor so that New Zealand's agricultural output of livestock and livestock products is capable of competing on world markets with almost any other country of the world.

Estimates of prospective increases in farm production to meet future requirements were released by the New Zealand Department of Agriculture in 1955. (See Table). The bulk of New Zealand's foreign exchange earnings are derived from the exports of four agricultural commodities: wool, 40 percent; meats, 23 percent; butter, 18 percent; and cheese, 5 percent.

Economic Factors Affecting Production and Trade

Since 1950, the population has increased by 13 percent to a total of approximately 2.2 million. This growth is due primarily to a natural increase rather than immigration. From 1954 to date immigrants have averaged only about 10,000, or considerably below goals of 15,000 per annum. Because of a continued shortage of housing and over-taxing of other community facilities, the Minister of Immigration has recently announced the Government's decision to reduce immigration quotas from 15,000 to 10,000 annually.

Like Australia, New Zealand has experienced pronounced inflationary pressures, particularly during the past few years. Subsidized housing, increased educational, transport, and communication facilities, and long-term hydroelectric power projects are considered necessary requirements for a growing population and the development of greater industrial capacity. But these national improvements have not been obtained without high taxation and a strain on financial reserves both at home and abroad.

Long-term development projects

The principal long-term development schemes emphasize the construction of hydroelectric projects in both North and South Islands, expansion of rural telephone services--including installation of automatic exchanges--and expansion of railroad facilities. Extensions of the present rural telephone system are expected to be completed by 1970. Hydroelectric plants, under construction in South Island, are scheduled for completion in 1958, while power projects in North Island on the Waikato near Wellington are expected to be completed by 1960. The need for increased rail facilities has been particularly marked in North Island. Here the growth of industry and pastoral development have been especially pro-

Potential Export Availability of Agricultural Produce from New Zealand, 1952 - 1982

Commodity	Unit	Base : period : 1952	Forecast : of exports : 1962	Percentage : increases :	Forecast : of exports : 1972	Percentage : increases :	Forecast : of exports : 1982	Percentage : increases :
Lamb	:000 s. tons	191	253	33	294	54	341	79
Mutton	" "	90	111	23	118	31	121	35
Beef	" "	87	103	18	101	17	96	10
Veal	" "	16	16	6	17	12	18	15
Butter	" "	163	186	14	205	25	217	33
Cheese	" "	89	98	10	102	15	106	18
Skim milk powder	" "	27	70	159	70	159	70	159
Wool	:mill. lbs.	396	524	33	614	55	684	73

Sources: Annual Report of New Zealand Department of Agriculture - 1954-55
Monthly Abstract of Statistics - March 1956

nounced. Projects such as the pulp and paper mill construction at Kawerau have also made big demands on railway facilities.

Considerable rural investment is also contemplated in bringing new lands into production which will require expenditure in community development, fencing, equipment, etc. Increased livestock production also calls for increased processing facilities for meat, dairy products, and wool.

Inflationary aspects of the economy

Inflationary pressures have increased in the past year with serious drains on overseas reserves. A strengthened demand for labor with higher wage rates has created greater buying pressures within New Zealand. Although export prices have been maintained at fairly satisfactory levels, the demand for imported goods and raw materials has exceeded available overseas income. Rather than revert to further tightening of import controls, the Government in 1955-56 chose to rely on monetary measures to combat inflationary tendencies and reduce spending on imports.

Balance-of-payments situation

Considerable improvement was noted in New Zealand's balance-of-payments situation during the 1955-56 year ending October 31 as the result of the stringent credit measures adopted late in 1955 to halt inflation and limit imports. Total foreign trade receipts were well above 1955 and reflected increased exports of all agricultural commodities except wool. A surplus of NZ £4.6 million (\$12.8 million) was recorded in overseas transactions as compared to a deficit of NZ £24.9 million (\$68.8 million) for the previous year ended October 31, 1955.

Labor situation

Despite an expansion of almost 100,000 in the total labor force since 1947, the demand for labor has constantly exceeded the available supply, especially in the fulfillment of the needs of industries. Almost 200,000 or 25 percent of the total workers are engaged in manufacturing. Although overall numbers of persons engaged in agriculture have changed very little as compared with prewar, the proportion of farm laborers to total working population fell from 21 percent in 1947 to 17 percent in 1955. At the same time, however, new farm lands have been brought into production and livestock numbers have been built up to record totals.

Characteristics of agriculture

New Zealand's agricultural economy is generally limited to pastoral production and the export of such principal commodities as meat, wool, and dairy products. Approximately 50 to 100 acres of good permanent grass land makes up the average dairy farm while 150 to 200 acre farms are considered adequate for beef cattle production. The efficiency of the livestock industry is aided by the excellence of the country's pasture lands resulting from highly developed practices of fertilizer use and a mild climate permitting year-round grazing. No housing or shelter other than hedgerows for wind breaks are required for animals during the winter months.

Much of the increases achieved in agricultural output are related to the emphasis placed on mechanization. Investment in farm machinery has been encouraged by taxation concessions and by difficulties in obtaining farm labor. Since 1921, tractor numbers have increased from 380 to 55,600; shearing plants from 5,300 to 21,000; and milking machines from 10,400 to more than 38,000. Aerial fertilizing and seeding has revolutionized New Zealand's hill-country farming and has been followed by the development of other aerial aids to agriculture, namely, poisoning of rabbits, the spraying of crops, and the dropping of stores and fencing materials. These practices have made possible an improvement in the quality and management of hill pastures which otherwise would have been impracticable. In 1950, 15 aircraft were used in the distribution of 6,000 tons of fertilizer over less than 50,000 acres. In the year ended March 1955, aircraft were used in the distribution of 300,000 tons of fertilizer over an area of 3 million acres and it is estimated that the acreage still to be fertilized by air will be about double the amount covered in 1955.

Farm production, as a whole, reached a peak in 1941 and then fell slightly until the end of 1945. With the expansion of dairying in 1946, a steady upward growth in total production has been noted since 1948. Encouraged by the continuance of bulk purchase arrangements with the United Kingdom through July 1954, New Zealand's importance as a food exporter has increased significantly. Today this area contributes roughly a third of the total world exports of meats, butter, and cheese. With respect to mutton and lamb shipments, New Zealand now accounts for about 68 percent of world exports. In contrast to Australia, New Zealand has experienced a growth in agricultural production and trade during the past decade in excess of its increased population as shown in the quantity index chart. (See Chart 2)

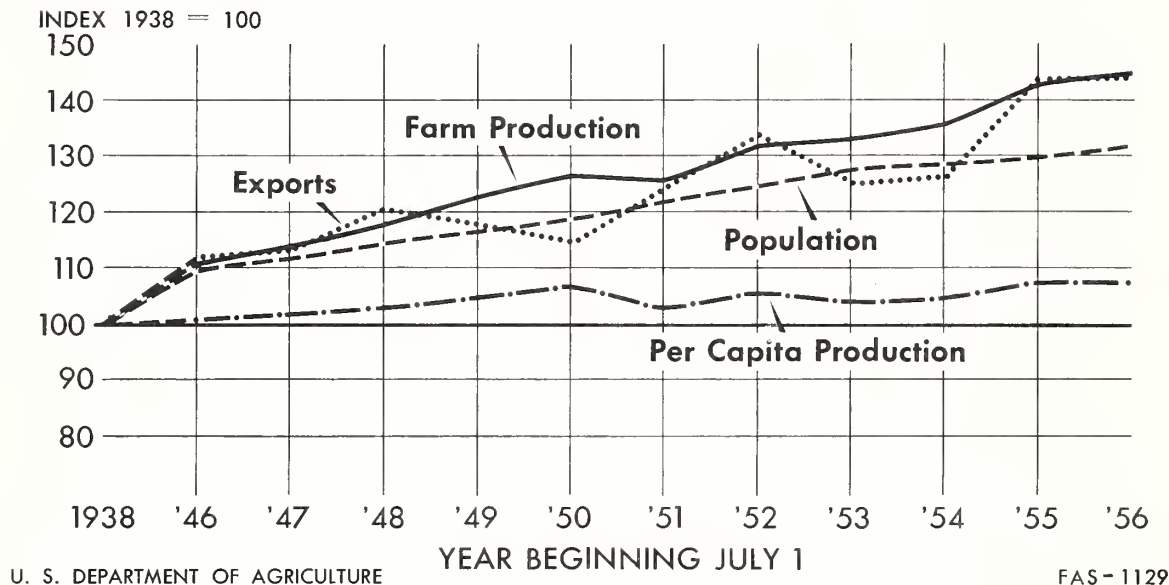
General Foreign Trade Policy

Much of the export trade in such items as wool, meats, and dairy products are destined for the United Kingdom which absorbs about 90 percent of all New Zealand's meat and dairy shipments; 50 percent of their wool; and nearly all apple and pear exports. New Zealand's meat is allowed unrestricted entry into the United Kingdom under the provisions of the Ottawa Agreement and that country now takes about 85 percent of New Zealand's exports with the balance going to markets other than the United Kingdom and the Commonwealth. Strong trade ties are maintained with all Commonwealth areas as the result of New Zealand's membership in the Sterling Bloc. Some of this trade advantage is lost, however, because of high marketing costs resulting from the lack of internal transportation, dock and storage facilities, and shortages of shipping space.

Quasi-governmental organizations exist for the export marketing of all agricultural commodities. The Wool Commission administers the Wool Floor Price Scheme and arranges auctions; a Dairy Products Marketing Commission exercises monopoly powers over the marketing of dairy products; the New Zealand Meat Producers Board services the trade and arranges shipping for meat exports; and the New Zealand Apple and Pear Marketing Board functions as the sole distributor of these fruits.

CHART 2

NEW ZEALAND: INCREASE IN FARM PRODUCTION AND TRADE EXCEEDS POPULATION GROWTH



Trade controls

Tariffs are dominated by the British preferential system and in some instances are maintained at high levels to protect home industry. The quantitative restrictions applied most frequently to U. S. imports are related to conservation of dollar exchange and pertain to quotas or licensing prohibitions.

Import licensing - This country's history of licensing dates back to 1938 when early growth in industry began to make serious inroads into New Zealand's foreign exchange reserves. These restrictions were adopted not only to protect the new industries, but also to cut down on overseas spending. They were stressed again during the World War II period and became doubly effective because of scarcity of imports from overseas suppliers. Stimulated by the restrictions, industrial production in 1945 had increased in value by 70 percent over prewar and by 1955 totaled approximately 300 percent above prewar.

First, import relaxations were adopted in 1951 following a peak year of wool exports but as a result of this policy importers indulged in heavy imports of raw materials and heavy equipment. As a result, in a very short time the New Zealand Government found her overseas resources rapidly depleted, which necessitated the reimposition of restrictions and cutting imports to minimum levels. Relaxations in import licensing were not reintroduced until in 1954 and then limited pretty largely to goods originating in the sterling area.

At the present time, about 80 percent of imports from sterling sources are now freed from licensing, while only a few agricultural items are admitted free of licensing from dollar areas such as tobacco, dried prunes, and turpentine. Only those products which are not available from sterling or soft currency sources or of certain quality, price range, and readily deliverable are permitted importation from dollar countries.

Competition With United States Agriculture

Practically all of New Zealand's primary exports are competitive with United States agricultural trade, namely, meats, dairy products, tallow, hides and skins, grass seeds, and apples. As production is expanded and emphasis is placed on these major export items, increased competition will be created with U. S. products in such markets as the United Kingdom, Western European countries, Far Eastern areas, as well as the United States, a destination for some New Zealand wool and meat exports.

Production of these important export items is maintained through joint government and industry administration of price stabilization schemes such as prevail for wool, dairy products, and meats. Details of these plans are as follows:

Dairy Products

Organized marketing and price support programs have been operative for dairy producers in New Zealand since 1937. Under the present marketing system, the Dairy Products Marketing Commission, established in 1947, announces at the beginning of each season the price at which it guarantees to purchase butter and cheese from dairy companies for export and for domestic consumption. For several years when the guaranteed price was below the actual price received for butter and cheese when marketed, the differential amount was placed in a reserve account. The primary purpose of this reserve account is to maintain guaranteed price payments if market prices fall below the guaranteed level. Since 1952, however, end-of-season realizations on marketing transactions acquired in the disposal of butter and cheese have been distributed to producers and dairy companies rather than into the Dairy Industry Account.

Recent legislation by the New Zealand Government provides that, effective August 1, 1957, floor prices for butter and cheese instead of guaranteed prices will be fixed at the beginning of each dairy marketing season by a newly organized Dairy Products Prices Authority. All dairy produce will continue to be marketed by the Dairy Products Marketing Commission which purchases butter, cheese, and other products from dairy processors for both domestic distribution and export. The dairy factories in turn make reimbursement payments to dairy farmers after making deductions for factory costs. The new "floor" prices will be established on the basis of costs of production, general standard of living considerations in New Zealand, and estimated costs of marketing and handling. They will also be subject to revision by the Dairy Products Price Authority at anytime during a marketing season, if conditions develop warranting changes.

Meats

During the postwar period export and domestic prices of meats were based on contract prices established by an agreement with the United Kingdom through 1954. Since October 1955, minimum prices for meats for export have been established by a Meat Export Prices' Committee composed of governmental and industry representatives. An annual schedule of minimum prices for each class of meat is determined at the beginning of each season on the basis of average prices received by producers during the three immediately preceding marketing seasons. Producers are reimbursed for the differential when export prices fall below the guaranteed price from Meat Industry Reserve Account funds totaling about NZ £40 million (\$111 million) as of July 1955, accumulated during World War II and early postwar years.

Wool

With respect to wool, New Zealand is considered the third largest producer in the world and ranks second in the list of principal exporting countries. Crossbred wools form the bulk of New Zealand's output and her only serious competitors in the export field for this type of wool are Argentina and Uruguay.

Late in 1951, the New Zealand Government adopted a plan of supporting prices of wool. Minimum floor prices to producers were established for sales of wool at auction both in New Zealand and the United Kingdom. The authority for the actual administration of the plan was allocated by the Government to the New Zealand Wool Commission. Under the provisions of the Floor Price Plan the Commission purchased small quantities of wool from the auction floor during the sale of the 1951-52 clip, the first year the plan was in operation, when auction prices fell below the minimum price levels. Since that time, no purchases have been made by the Wool Commission although floor prices have been adopted each season.

Agricultural Imports of Interest to U. S. Export Trade

All dollar imports are subject to either dollar allocation or import licenses or both of these import devices. Among the imports from the United States which tend to receive the most consideration are tobacco and dried prunes. Consideration is given to U. S. raisins, if unavailable from any sterling source. Small shipments of California citrus are permitted entry only when seasonal deficits occur in the sterling area sources, principally Australia and the British West Indies. Price is not the major consideration in determining sources of imports, but dollar imports are occasionally permitted to keep sterling prices in line. Wheat and rice are imported but both grains are easily obtained from Australia.

Quasi-governmental marketing control also applies to many of the agricultural imports. Fruit Distributors Limited, a cooperative fruit dealer's organization, is the sole importer of all fruits. The Wheat Committee is the sole importer of wheat and other cereals while imports of tobacco are channeled through a Tobacco Board.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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January 31, 1957

U. S. DEPARTMENT OF AGRICULTURE

Uruguay's Food and Agricultural Situation in 1956

For Uruguay, 1956 was a year of contrasts. The main export products moved well, but prices were lower for most exports and there was some difficulty in moving meat products because of the unfavorable exchange rate applied to meat.

Grain and flaxseed acreage for 1955-56 was larger than in 1954-55, but production declined because of a lack of rain. Lower wheat subsidies to producers, however, have resulted in a smaller wheat acreage for the 1956-57 crops. Flaxseed is responding well to rains late in the year, and both acreage and production of the 1956-57 crop may be the largest in many years. Abundant rains since July also brought about the best grazing conditions for livestock in years. Shearing of sheep got underway in October with indications that the clip may be smaller than for 1955-56. Reversing the previous year, wool prices strengthened steadily during 1956. Most prices paid to farmers showed little change, but production costs continued to rise during the year because of the inflationary trend.

Uruguay's economic condition did not improve in 1956 despite the sale of practically all of its exportable wool, wheat and other commodities. New exchange rates for both exports and imports, beginning last August, may establish an export balance, although it is too early to evaluate fully their over-all effect.

Trade

Agricultural products make up the bulk of Uruguay's exports. Wool, wheat and meats are the most important of these. Agricultural products play only a small part in imports, forming only about 15 percent of the total. Raw sugar, yerba mate, tobacco and coffee account for nearly three-fourths of the agricultural imports.

Practically all the 1955-56 wool clip had been sold by the end of the marketing year in September. Exports increased by 35 percent over the year before, assisted by a government export subsidy. Prices strengthened steadily during the year, reversing the 1955 trend. The Netherlands and the United States were the best customers. About 60 percent of the clip is exported as greasy wool, while the remainder is sold as tops, scoured wool, noils, etc.

Export Volume of Agricultural Commodities
(short tons)

<u>Commodity</u>	<u>1955</u>	<u>1956 ^{1/}</u>
Wool ^{2/}	78,000	105,000
Frozen beef	10,100	13,800
Frozen mutton	300	5,600
Canned meat	9,400	11,600
Jerked beef	--	100
Hides & skins	26,000	--
Hides (salted & dry)	^{3/}	11,300
Sheep & lamb skins	^{3/}	7,800
Wheat	434,400	349,400
Wheat flour	82,200	6,800
Rice, milled	9,300	30,700
Linseed oil	33,900	10,000
Flaxseed cake and meal	52,400	7,400
Sunflower, cake and meal	19,000	6,900
Peanut cake and meal	2,000	--
Brewing barley	800	6,300

^{1/} Period from January 1 to August 31, 1956, except for wool.

^{2/} Marketing year ends September 30 of year shown.

^{3/} Combined under Hides and Skins for 1955. 1956 figures are separated for a better breakdown of types.

Meat exports during the first eight months of 1956 exceeded the entire year of 1955 by 40 percent, but prices were lower. Most of the canned meat came to the United States, while USSR and the United Kingdom were the best customers for chilled and frozen beef and mutton.

Most of Uruguay's export wheat went to Brazil in 1956. About half of the normal crop of more than 900,000 short tons is exported. Additional stocks of 123,000 tons were discovered late in the year, after it was thought that wheat supplies were exhausted. Most of this additional wheat went to Brazil and to Europe.

Rice exports tripled during the past year, mostly by barter with Japan. Brewing barley exports jumped nearly eight times, but vegetable oil exports for the first eight months of 1956 dropped to only a third the volume of 1955. Exports of sunflower seed and oil are prohibited at the present time to conserve the small 1956 crop for domestic consumption.

Production

Sheep and Wool: The 1956-57 wool clip, completed in November, is estimated to be about five percent below last year's at a little above 80,000 short tons. The drop is attributed to poor pasture conditions during the early winter months, resulting in weak fiber and less growth. Inadequate feed was also reflected in high lamb losses, running up to 75 percent in some areas. The current lamb crop is estimated at 55 to 60 percent, at least 5 percent below the poor 1955 lamb crop.

Preliminary figures from the 1956 agricultural census indicate a drop of nearly a half million sheep since the 1951 census. The current figure is 23 million head, several million less than trade estimates of a year ago. Government policy for the past several years has resulted in a substantial increase in wheat acreage and a decline in both cattle and sheep numbers. Recent government actions in the fields of exchange rates and pasture management have been designed to encourage expansion of the livestock industry.

Meat: The past year has been another troubled one for the packing plants, including the government owned Frigorifico Nacional. Strikes closed the plants for an extended period at the time Argentine cattle were being imported for local slaughter and a seasonably plentiful supply of local fat cattle also were coming to market. Contracted shipments of canner cattle from Argentina, made to foreign packers to provide work for their employees, were suspended in early May when the strike was called and were not resumed until the strike ended in early July. These cattle, added to the available local supply, have kept packing plants operating an average of three half-days a week.

Due to an early frost and lack of rain in early winter, cattle did not keep in good condition. This situation was aggravated by the strike. Abundant rain, starting in September, put pastures in nearly ideal condition at the end of the year, and better quality cattle were being marketed.

Grains, Feed and Oilseeds: The Ministry of Livestock and Agriculture recently released final official figures for 1955 summer crops, the third acreage estimate and the second production estimate for 1955-56 winter cereals and flaxseed. Corn at 211,500 tons and sunflower seed at 93,700 tons showed a 4 percent increase over 1954. These two crops account for nine-tenths of the summer crop acreage.

The 1955-56 wheat figures show an increase of 4 percent in area sown over the 1954-55 crop and a decrease of 3 percent in production. Flaxseed, oats, and barley followed the same trend, increased acreage with decreased yields. Flaxseed production dropped 20 percent and brewing barley dropped 18 percent. Birdseed production continued the steady climb begun some four years ago. Rye also registered a large increase, especially in plantings for pasture.

Third Estimate of Area Sown and Second Estimate of Production Winter
Feed and Grain Crops, 1955-56 Crop Year

<u>Crop</u>	<u>Area Sown (acres)</u>	<u>Production (short tons)</u>
Wheat	1,982,000	916,700
Flaxseed	251,300	55,200
Oats	142,300	42,400
Common barley	33,100	13,300
Brewers barley	75,700	28,800
Birdseed	10,500	2,300
Rye	1,400	700

The indicated wheat acreage for 1956-57 is down 17 percent. Total flax-seed acreage appears to be up around 30 percent while most other crops are about the same as a year ago.

Trade estimates of the 1955-56 rice crop have been increased to approximately 77,000 short tons, about 5,000 tons above earlier estimates. Planting was delayed by dry weather and some replanting was necessary. Growing conditions after planting were good, however, and yields reached a record of nearly 3,600 pounds of rough rice per acre.

Other Crops: Uruguay grows only a small percentage of its total cotton needs, but production is increasing. The 1956-57 crop is estimated at 500 short tons. Brazil is the main supplier, but a new exchange system allowing importers to buy from any country is expected to raise imports from the United States to at least 250 tons a month. The government has not supported cotton prices since the 1954-55 crop, but growers are asking for a free exchange rate to discourage imports. The present exchange rate set for cotton is only about half the free rate, a favorable situation for importers.

Local tobacco, too, meets only a small part of the total needs, and production has been declining in spite of government inducements. New exchange rates favor leaf imports over manufactured tobacco. Brazil was by far the leading leaf supplier for the first half of 1956 with about two-thirds of the total. The United States was the second supplier of leaf shipments, but furnished nearly all the cigarette imports.

Sugar output reached a record high of 35,000 short tons in 1955, almost entirely from beets, but an early freeze cut the 1956 crop down to an estimated 22,000 tons. The local sugar industry supplies only 20 to 25 percent of their needs, even with government encouragement. Most of the imports come from Brazil.

The 1955 summer crop of potatoes suffered heavy rain damage and total production of 81,600 tons for the year was only about 75 percent of local needs. The 1956-57 crop appears to be about the same size.

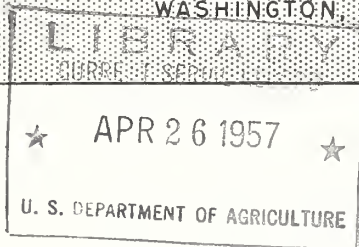
Sweetpotato production estimates of 67,500 tons in 1955 are believed to include only commercial production. Private estimates run double and triple the official figures, taking into account home use and those hogged off in the field. Sweetpotato prices vary according to the white potato crop. Because of the small 1955-56 white potato crop, sweetpotato prices in 1956 were more than double the 1955 prices.

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THE AGRICULTURAL SITUATION IN INDIA

Summary

The outlook for the current year's agricultural production appears to be about the same as that of last year. Late heavy rains and ensuing floods over rather large areas have shattered earlier prospects for a significantly larger production. This parallels the situation of a year ago.

In spite of the vagaries of the monsoons, on which Indian agriculture so strongly depends, the food supply for the current year and for the period of the Second Five Year Plan is believed to be reasonably assured. The signing of the P.L. 480 agreement with the U. S. for imports of 3,700,000 metric tons of foodgrains over the next 3 years helps to assure that food supply. The implementation of India's ambitious industrial development program is expected to increase the demand for food as a result of greater purchasing power of the people. The increase in demand also will reach cotton textiles which in an underdeveloped country such as India is the second item of consumer demand. The demand for more food, for a greater variety of foods, and for more cloth could quite easily absorb any foreseeable increases the farmers may be able to realize in foodgrain and cotton production.

India's First Five Year Plan ended on March 31, 1956. It had as one of its principal objectives self-sufficiency in food production. Although the targets of the Plan are generally considered to have been fulfilled, Indian agriculture as yet has not attained a sufficiently high level of productivity to assure the country of an adequate food supply from domestic production, even considering the present rather low level of consumption.

Although the 1955-56 harvest was much better than the production levels of a few years ago, the output fell below that of the two previous years. Using 1935-39 as a base, the index of agricultural output for the 1955-56 crop year was 126, four points below the previous year.

Foodgrains

The bulk of the agricultural resources of India are utilized in the production of foodgrains. Rice, wheat, millet, sorghum, and other grains along with the pulses collectively account for a very high percentage of the annual agricultural output of India.

Rice ranks as the principal crop of Indian agriculture. It is grown on far more acres than any other crop and produces far more tons of food than any other crop. The 1955-56 crop amounted to 26,600,000 metric tons (milled) and was harvested from 76,700,000 acres. This was the second largest rice crop on record. The 1956-57 crop is expected to be even larger.

India's wheat crop from the standpoint of tons of food produced is one of the most important of the other food crops. A good crop of wheat was harvested during the 1955-56 crop year. The production totaled almost $8\frac{1}{2}$ million metric tons and was grown on 29.2 million acres. Early reports on the 1956-57 crop have indicated that a larger acreage was planted this year largely because of favorable soil moisture conditions at seeding time and another large crop is expected.

Last year's jowar crop was relatively poor - about 7 million tons from 42.7 million acres. This year's production may reasonably be expected to be substantially greater. The millets bajra and others, are important foods in many localities. About 47 million acres are devoted to growing millets, and production last year totaled about $7\frac{1}{2}$ million tons, some of which was used for livestock feed. No important changes in either acreage or production of these crops are anticipated for the current crop year.

Another important group of foodgrains is the pulses - commonly divided into two groups - (1) gram (chickpeas), and (2) other pulses. Although the 22.9 million acres of gram harvested in 1955-56 was about 4 percent larger than in the previous year, the production of 4.9 million metric tons was 10 percent smaller. The current year's crop is expected to regain that loss. The 1955-56 crop of other pulses was grown on approximately 32 million acres and added 5 million tons of pulses to the country's food supply. Both acreage and production were about 3 percent lower in 1955-56 than in the previous year. This year's crop is not expected to vary much from that level.

Oilseeds

Vegetable oils are the second most important food group in India and last year's production of oilseeds, including cottonseed, amounted to about 6.3 million tons. This was approximately 12 percent below the year before. In terms of oil, the production of the principal edible oilseeds, i.e., peanuts, rape and mustard, and sesame, amounted to $1\frac{1}{2}$ million tons. Production of linseed oil was about 125 thousand tons and other vegetable oils about 270 thousand tons. Coconut oil production, about one-third of which is consumed as food, is believed to have amounted to 130 thousand tons last year.

India is self-sufficient in oilseed production and in good years there is an export surplus. Due to the smaller production last year exports were curtailed somewhat, but still during the year ending March 31, 1956, exports of the five major vegetable oils amounted to about 200,000 tons.

Sugar

The expanding sugar industry has been one of the brightest spots of India's agricultural picture in each of the last few years. Relatively high prices paid to growers for sugarcane have effected a sizeable increase in the area planted, which in turn has resulted in a larger output. Production of factory sugar from the 1955-56 crop of sugarcane was 2,123,000 metric tons, 16 percent greater than in the previous year and 80 percent greater than in prewar years. This amount closely approaches the current level of consumption in the country.

Gur (unrefined sugar) produced from last year's cane was probably about 2.4 million metric tons. In addition some cane is consumed as juice and a considerable quantity is used for chewing. As a result of the increasing production, imports of refined sugar are diminishing - only about 55,000 tons were imported in the period November 1955 - October 1956. The current year's (1956-57) crop of sugarcane is expected to yield about 2.4 million tons of gur in addition to 2.2 million tons of refined sugar. If this production is accomplished, India will likely have an exportable surplus of sugar.

Potatoes, Fruits, and Vegetables

The production of potatoes, fruits, and vegetables in India is relatively small. Only a little over a million acres is devoted to potatoes, both sweet and Irish, and the production is estimated at around 3.5 million tons. Tapioca and bananas provide additional food although the crops are relatively small. Fresh vegetables such as peas, cauliflower, carrots, beans, squash, etc., are grown mainly for consumption in the principal cities. Also, mostly as luxury food items, papayas, mangoes, oranges, limes, and grapefruit are rather widely grown and may be found in all of the principal cities and towns in season. Last year's production of fruits and vegetables is believed to have been a little larger than in previous recent years, although no official estimates are available. This belief is based primarily on the fact that government planners are encouraging greater production and consumption of fruits and vegetables.

Fibers

Cotton is one of the top ranking crops of Indian agriculture and a crop on which much emphasis has been placed by the government planners. The 1955-56 crop was a disappointment; the 20.2 million acres harvested was an increase of about $1\frac{1}{2}$ million over the previous year, but the production according to trade estimates of 3.8 million bales (480 pounds net) was 14 percent smaller. The 1956-57 crop is expected to turn out about 4.3 million bales.

Revised targets for the Second Five Year Plan call for an annual production of 5.3 million bales of cotton by 1960-61. An important feature of the Second Five Year Plan will be emphasis on increasing the production of long staple varieties particularly in the areas brought under irrigation in the major irrigation projects.

Before partition of India and Pakistan, India had a virtual monopoly in the world's production and supply of raw jute. This commodity has traditionally been one of India's leading foreign exchange earners. At the time of partition in 1947, only about 19 percent of the total production of raw jute of undivided India came from acreage now within the Indian Union.

Both the First and the Second Five Year Plan placed emphasis on the jute industry. Production has increased continually and the 1955-56 crop reached 742,000 metric tons harvested from 1,580,000 acres. This is an increase of about 340,000 acres and 152,000 metric tons from the 1954-55 crop. The Second Five Year Plan target is for 980,000 metric tons to be produced annually by 1960-61.

Tobacco and Other Special Crops

The production of flue-cured leaf for 1955-56 is estimated at 126 million pounds (about the same as in 1954-55) out of a total tobacco production of 582 million pounds. An improvement in quality of the tobacco grown within the country is the principal goal for Indian tobacco growers, while an increase in total pounds of leaf produced is not planned.

Tea is one of India's most important agricultural crops, especially when considered from the standpoint of its importance as an earner of foreign exchange. Last year's production of tea was very large, but the quality of the crop is believed to have been lower than usual. Measures are being taken in the current (1956-57) crop year to improve quality at the expense of production to assure a higher price on the world market.

Cashews, black pepper, coffee and other special crops which earn foreign exchange are being given more attention. Production of almost all of these special crops last year showed increases over the year before. Exports were also higher.

Livestock; Livestock Products

Although India has almost one-fourth of the total cattle population of the world, its production of meat, milk, and other livestock products is very low, particularly when considered on a per capita basis. Several of the states of India have laws which prohibit the slaughter of cattle. Since a high percentage of the people of the country are vegetarians, meat consumption is very low. Any change in this respect is likely to be a slow and gradual one. The production and consumption of eggs is also very small.

Wool production last year is believed to have been relatively high--about 72 million pounds. Nearly one-half of this was exported. Production in 1956-57 is expected to register a still further increase.

Exports

Jute goods usually lead all other products in India's export trade. Exports in 1955-56 equaled the equivalent of \$248.3 million.

Tea is the next most important export from India. Exports usually run between 400 million and 500 million pounds annually and it is expected that the 1956-57 exports also will fall within this range.

Raw cotton is a leading agricultural export. India exports only short staple cottons, but these earned about \$63 million in foreign exchange in 1955-56. Exports of raw cotton in 1956-57 will be considerably lower due to lower world prices and a small cotton crop last season.

Vegetable oilseeds and vegetable oils combined are very important foreign exchange earners; so are black pepper and other spices which accounted for about 5 percent of the value of all agricultural exports in 1955-56. No significant change in the export availability of spices is anticipated for 1956-57.

Exports of raw wool have increased. In 1953-54 approximately 9,000 tons were exported and in 1955-56 about 15,000 tons were shipped. Exports in 1956-57 may register a small further rise.

Imports

India will need to import substantial quantities of wheat and rice this year in order to assure its people of an adequate supply. Nearly all of these imports have been contracted for from the U. S., Australia, and Burma. Most imports from the U. S. will be under the P. L. 480 agreement signed in 1956.

With an increased demand for cloth coupled with a poor cotton crop last year, higher imports of long staple cotton are expected this year. However, it is unlikely that the imports will exceed normal by more than the 150,000 bales specified under the P. L. 480 agreement plus a small amount being received for processing under the Burma P. L. 480 arrangement (approximately 25,000 bales).

A record production of sugar in 1955-56 and prospects for an even better crop in 1956-57 suggest that no imports of sugar will be necessary. Imports of raw jute, coconuts and oil, fruits, etc., during 1956-57 probably will not depart far from the level of last year. Dry skim milk imports have been increasing progressively and will be further stimulated in 1956-57 by P. L. 480 purchases.

Table 1 - India: Estimated Acreage and Production of Principal Crops

Crop	1954-55 1/		1955-56 1/		1956-57 1/	
	Acreage:	Pro- duction	Acreage:	Pro- duction	Acreage:	Pro- duction
	1,000 acres	1,000 metric tons	1,000 acres	1,000 metric tons	1,000 acres	1,000 metric tons
Foodgrains						
Rice (milled)	75,949	25,376	76,700	26,600	77,500	27,200
Wheat	27,517	8,919	29,225	8,482	-	-
Jowar (sorghum)	43,446	9,238	42,721	7,051	-	-
Bajra	27,983	3,476	27,025	3,454	-	-
Millets other than bajra	19,510	4,168	18,722	4,010	-	-
Corn	9,311	2,986	8,909	2,559	-	2,600
Barley	8,309	2,916	8,145	2,765	-	-
Total foodgrains (excluding pulses)	212,025	57,079	211,447	54,921	-	-
Gram (chickpeas)	22,047	5,480	22,902	4,943	-	5,200
Pulses other than gram	33,253	5,565	32,198	5,407	-	-
Total pulses	55,300	11,045	55,100	10,350	-	-
Total foodgrains (including pulses)	267,325	68,124	266,547	65,271	-	-
Oilseeds						
Edible						
Peanuts (shelled)	13,548	2,796	12,585	2,577	14,400	2,947
Rape and mustard	6,025	1,035	6,262	845	6,000	914
Sesame	6,501	598	5,738	465	6,300	559
Cottonseed	-	2,232	-	1,927	-	2,181
Inedible						
Flaxseed	3,354	388	3,424	382	3,400	381
Castorseed 2/	1,394	126	1,462	128	1,400	127
Total oilseeds	30,822	7,175	29,471	6,324	31,500	7,109
Special crops						
Sugarcane	3,994	-	4,446	-	4,700	-
Gur	-	2,531	-	2,413	-	2,359
Refined sugar	-	1,833	-	2,123	-	2,245
Tobacco	846	248	921	264	-	264
Potatoes	665	1,790	693	1,869	-	-
Tea	725 3/	292	725 3/	300	725 3/	299
Coffee	246	25	264	34	-	35
Black pepper	208	26	214	28	-	28
Dry ginger	35	14	37	15	-	-
Dry chillies	1,523	369	1,492	345	-	-
Rubber	172	22	-	23 4/	-	22 4/
Copra 4/	-	576 4/	-	558 4/	-	560 4/
Jute 5/	1,243	590	1,581	742	1,634	744
Mesta	528	185	618	218	-	-
		1,000 bales 6/		1,000 bales 6/		1,000 bales 6/
Cotton	18,684	4,400	20,230	3,798	21,500	4,300
Total special crops	28,869	-	31,221	-	-	-

1/ Agricultural year beginning July 1 and ending June 30. 2/ Acreage and production figures are for pure crop only, based on official estimates. Trade estimates usually place the total crop, including pure and interplanted crop, at roughly double the official estimate for pure crop. 3/ Plucked acreage.

4/ Copra equivalent of all coconuts produced. 5/ Acreage and production figures relate to calendar years 1954 and 1955 instead of agricultural years 1954-55 and 1955-56. 6/ Bales of 480 pounds each.

Table 2 - India: Imports of Principal Agricultural Commodities, years ending March 31, 1954-55 and 1955-56

Commodities Imported	Quantity Imported	
	Twelve Months	Twelve Months
	April 1954-March 1955	April 1955-March 1956
	---- 1,000 metric tons ----	
Foodgrains, including		
pulses and flour	1,247	439
Sugar	686	82
Vegetable oils, edible	23	22
Tree nuts	91	67
Fruits, dried	101	128
Spices	37	49
Condensed or evaporated milk	6	5
" " " (skimmed)	1	1/6
Dried whole milk	1	6
Dried skim milk	27	28
Cotton, raw	125	120
Jute, raw	223	273
Wool, raw	1	2

1/ Less than 500 tons

Source: "Accounts Relating to the Foreign (Sea, Air, & Land) Trade and Navigation of India for March, 1956", Ministry of Commerce and Industry, Government of India.

Table 3 - India: Exports of Principal Agricultural Commodities,
years ending March 31, 1954-55 and 1955-56

Commodities Exported	Quantity Exported	
	Twelve Months	Twelve Months
	April 1954-March 1955	April 1955-March 1956
	--- 1,000 metric tons ---	
Foodgrains, including pulses:	49	200
Sugar	11	26
Vegetable oils, edible	104	136
Oilseeds, edible	23	30
Cashew kernels	35	31
Fresh vegetables	31	30
Fruits and vegetables (dried)	10	11
Spices	30	34
Tea	208	183
Coffee	10	3
Cotton, raw	30	123
Jute	1/	1/
Wool, raw	14	15
Wool, raw, re-exports	2	2

1/ Raw jute exports prohibited, but exports of jute goods which usually leads all other exports, totaled the equivalent of \$259,934,000 in 1954-55 and \$248,330,000 in 1955-56.

Source: "Accounts Relating to the Foreign (Sea, Air, & Land) Trade and Navigation of India for March, 1956", Ministry of Commerce and Industry, Government of India.



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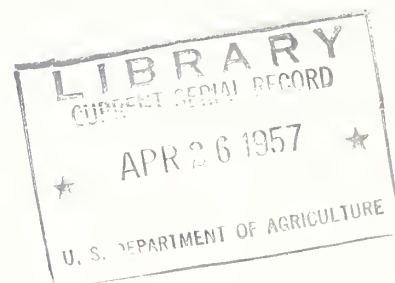
Addendum
to
Cuba - Agricultural Situation 1956-57

FATP - 13-57

February 15, 1957

According to more recent information than found in Foreign Agriculture Circular (FATP 13-57) January 31, 1957, a significant increase in Cuban sugar production is indicated for 1956-57.

The Cuban Government has now fixed the 1957 sugar crop at 5.8 million short tons (5,150,000 Spanish long tons) and has also made provision for the harvest of all available sugarcane, even though the total production may exceed the established quota.





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★ APR 26 1957 ★

U. S. DEPARTMENT OF AGRICULTURE

FATP-14-57

February 7, 1957

POLAND'S NEW FARM POLICY*

Agricultural policy in Poland has taken a decisive turn. Following the recent political changes, fundamental revisions in farm programs are being made. In recognition of the inadequacies of many of the past policies, these revisions have been initiated by the country's new leadership; in part, however, they have been imposed upon it by the peasants who, encouraged by more liberal pronouncements of the authorities, slowed down compulsory deliveries, delayed tax payments, and began in great numbers to leave and even to disband collectives.

Polish agriculture recovered fast in the early postwar years, considering the heavy war devastation and the extensive economic dislocation resulting from population transfers and far-reaching land re-distribution. It is claimed ^{1/} that already by 1950 per capita output was above that of prewar Poland (i.e. Poland within its prewar boundaries). During the following years (1951-54), agricultural production, hampered by unfavorable weather and hamstrung by mistaken policies, stagnated or even declined. In 1955 and 1956, output improved again primarily because of good weather conditions, but, to some extent, also because the government showed slightly more understanding for the problems of the farmers. Only in the course of the last months, however, has a radical turn in farm policies occurred.

Prices and Marketing: Up to the present time a very unfavorable price relationship between farm products and industrial goods has prevailed. It has been enforced with the help of compulsory delivery quotas, which enabled the government to exact deliveries of agricultural commodities at low prices. It is true, the peasant received a higher price for commodities sold to the government in excess of compulsory quotas. Higher prices were also obtained for products sold under the so-called contracting system, consisting in agreements between peasants and the government for the voluntary delivery of certain farm products. Moreover, after the fulfillment of his delivery obligations, the peasant was free to sell in the open market at remunerative prices. But the bulk of the basic commodities came under compulsory quotas and output was thus discouraged.

*/ By Ernest Koenig, European Analysis Branch.

^{1/} Rocznik Statystyczny 1956, Warsaw, 1956.

Prices received by farmers in 1955 2/
(in zlotys)

Commodity	Unit	Sales to the States		Free Market Sales
		Obligatory	Free	
Wheat	100 kgs	105.00	376.00	387.00
Rye	100 kgs	61.00	245.00	307.00
Barley	100 kgs	75.00	282.00	313.00
Oats	100 kgs	68.00	225.00	301.00
Potatoes				
Early	100 kgs	19.75	64.40	102.00
Main crop	100 kgs	19.75	45.00	102.00
Pork	kg	6.94	12.47	27.62
Beef	kg	4.00	7.25	---
Milk	liter	.90	1.87	2.82
Eggs	piece	---	1.18	1.41

The new policy measures 3/ aim at the gradual reduction of compulsory delivery quotas leading to their complete abolition. At the beginning of 1957, obligatory milk deliveries were abolished. Compulsory grain deliveries from the 1957 harvest are to be reduced by one-third. Farms of up to 2 hectares are to be released from obligatory deliveries of grain as well as potatoes. For middle sized and large farms, quotas considered as excessive are to be reduced; and close attention is to be paid to the supply capacities of all other private farms in the allocation of delivery quotas. The price paid for obligatory grain deliveries is to be doubled. As a result of these changes, the price differential between the different markets will narrow down, peasant income will increase, and the incentive to produce will be strengthened.

Concurrently with the lowering of quotas and the price increases, the land tax is to be reduced. This concession will affect primarily larger private farms.

Land Tenure and Socialization: Since the war the beneficiaries of the land distribution programs as well as peasants whose ownership antedated the war have not felt secure in their property rights. Many of those who obtained land during the postwar land reform lacked title to it. But even clearly

2/ Source: Rocznik Statystyczny, op. cit.

3/ The new policy was announced in a joint statement of the Communist Party and the Peasant Party: Directives of the PZPR Central Committee and the ZSL Executive Committee on Agricultural Policy, Warsaw, January 1957.

established ownership rights did not protect against arbitrary governmental encroachment upon private property. Moreover, the purchase, sale and inheritance of landed property was greatly impeded. The situation became still worse with the onset of collectivization.

In Poland, socialization was not as relentlessly pushed as in most other communist countries. Immediately after the war, close to two million hectares of land confiscated from German and Polish estate owners were transformed into state farms, but collectivization proper began only in 1949, proceeded rather slowly and, at the beginning of 1956, included less than 10 percent of the agricultural area. At that time altogether about one-fifth of all farm land had been socialized.

State farms proved to be a more reliable source of market supplies than private farms since, despite some theft and diversions to the black market, the government could more easily lay hands on their output. Although state farms were liberally supported and subsidized, their existence did not interfere with peasant farming.

It was different with collectives. Most of them were founded against the will of the peasants, under all kinds of pressure, consisting primarily in economic discrimination against individual producers. The support they received was almost proportionate to the hardship inflicted upon individual peasants. The process of forming collectives, and their very existence, thus constituted a continuous threat--potential or actual--to private farming. In the words of Gomulka, "this practice proceeded from the premise that socialism can be built on the basis of the poverty and decline of peasant holdings." ^{4/} In spite of this discrimination, the results of the operations of the private sector compared favorably with the results of the socialized sectors. The following data for 1955, even though they must be viewed with certain reservations, would seem to bear this out: ^{5/}

Type of farm	: Share in	: Share in	: Share in	: Value of output
	: farm land	: total	: livestock	: per hectare of
	: output	: production	: arable land	
	:- - - - - percent of total- - - - -			: zlotys
Private farms	78.8	83.9	91	621.1
Collective farms	8.6	7.7	4	517.3
State farms	12.6	8.4	5	393.7

^{4/} Wladyslaw Gomulka, "Droga demokratyzacji jest jedyna droga prowadzaca do zbudowania najlepszego w naszych warunkach modelu socjalizmu," Trybuna Ludu, Warsaw, October 21, 1956.

^{5/} ibid.

The new policy emphasizes the free development of individual farms. Property rights are to be clearly defined and observed in practice. "The feeling of ownership has to be strengthened." Hence all restrictions are to be removed regarding ownership, leasing, purchase and sale of land. In order to make the sparsely settled western territories more attractive, peasants are to be given the opportunity of acquiring state land to increase their farms to 15 hectares of arable and 20 hectares of agricultural land. Uncultivated land held by the state is to be leased to individual producers for no less than eight years.

Notwithstanding the recent mass exodus from collectives, the policy of socialization is not to be discontinued. It is, however, profoundly modified. Only time can tell whether the principles enunciated for the guidance of such modification will actually be followed.

The dissolution of economically weak collectives is not to be prevented; economically sound collectives are to be assisted in the form of repayable investment credits, but not aided by grants which, it is conceded, perpetuate only inefficiency. It is acknowledged that collectives not based on the principle of voluntariness are doomed to failure. Hence the formation of collectives is not to be accompanied by threats or economic compulsion. Collectives are to be set up not according to rigid organizational patterns devised by the government, but as their members see fit. Government meddling in their internal affairs is to be stopped and full self-administration granted. As a matter of fact, it is strongly intimated that the socialist transformation of the countryside need not necessarily assume the form of collectivization entailing common property of the means of production and division of income, but may take the form of loose associations or cooperatives more nearly of traditional types.

The new policy also affects state farms. Henceforth they are to operate on the principle of profitability, and are not, as hitherto, to depend on governmental subsidies. This requires, however, that the prices of their products purchased by the government be raised. Labor shortages on state farms are to be overcome by better working conditions for workers, entailing participation in the state farms' revenues and management through workers' councils. Professional, not political, qualification is to be decisive in the selection of state farm managers. Of greatest importance is the proposal that in the western territories some of the inefficiently cultivated arable land of state farms should be transferred to private producers, since, it is said, it may yield better results if cultivated by them.

Allocation of Resources: From the beginning of the postwar era the government made great efforts to supply agriculture with means of production. However, this policy was not as effective as it might have been if it had not been dominated by political and ideological considerations. As a matter of principle, producers were not to be in direct control of mechanized means of production. Only state farms were permitted to have all types of

equipment of their own. Private farms were deprived of large machines and were forbidden to buy new ones. They, as well as collective farms, had to rely on the State Machine Centers (POM) and on the state-controlled Village Machine Stations (GOM) for technical services. These two organizations and the state farms were the exclusive recipients of new machinery supplied by the government, except for manual implements which could be bought by all producers. The rates payable for the services of the State Machine Centers and the Village Machine Stations were discriminatory. Collectives paid less than private farms, and private farmers paid more the larger their farms. Payments were often in kind and represented to the government a source of acquiring agricultural commodities in addition to compulsory and other deliveries.

Almost all of the 12,000 tractors existing before the war on the present territory (7/8 of which were in the former German provinces) had been destroyed by the end of the war. By 1955, tractors numbered about 47,000, and the number of other agricultural machines and implements in use indicated significant progress in agricultural techniques. However, the distribution of the available machinery was uneven. More than 26,000 tractors worked on state farms and about 19,000 belonged to the State Machine Centers, the remainder being presumably in the Village Machine Stations. About 86 percent of the State Machine Centers' operations were performed for collectives, 8 percent for state farms, and only 6 percent for private farms. 6/

A similar policy was followed as regards the supply of fertilizers. The Polish soil, poor in organic and mineral nutrients, requires relatively large quantities of stable manure and commercial fertilizers to maintain an adequate level of fertility. 7/ One of the prerequisites for attainment

6/ Rocznik Statystyczny, op. cit.

7/ The great difference in crop yields existing before the war in the German parts of the present territory and in the old Polish provinces was partly due to the difference in the use of fertilizers. In 1938, consumption of commercial fertilizers, in terms of pure nutrients, and crop yields per hectare of sown area were as follows:

Fertilizers	German Sector	Polish Sector	Total Territory
- - - - - consumption per hectare in kilograms - - - - -			
N	25.5	1.7	9.3
P ₂ O ₅	29.0	3.1	11.4
K ₂ O	49.0	2.2	17.5
Crops:	- - - - - yield per hectare in quintals - - - - -		
Grains	19.1	12.3	17.7
Sugar beets	311.0	221.0	266.0
Potatoes	168.0	125.0	138.0

Sources: Heyn, G. Ostdeutschlands Landwirtschaft und ihre Ueberschuesse. Bonn, 1951. Rocznik Statystyczny, op. cit.

of prewar levels of production is thus recovery to prewar levels of fertilizer intake. By 1954-55, the level of fertilizer consumption had reportedly reached about 92 percent of prewar. 8/ Again, the distribution of fertilizer supplies has been discriminatory, private farms receiving per hectare of sown area less than half of the amount of fertilizers supplied to collectives and state farms.

This policy of allocating resources is also to be changed. Individual peasants and collective farmers will henceforth be allowed to buy all types of agricultural machinery. Village Machine Centers are to be disbanded and their equipment will be sold to collectives, peasant cooperatives and private farmers. Collectives will continue to enjoy priority in the purchase of machines as in other respects, but the socialized sector loses the exclusive right to possess large machinery. The role of the State Machine Centers will thus be altered. Henceforth they are to lend more support to private producers. Supervisory functions over the work of collectives, which the Centers were hitherto able to exercise in view of the collectives' dependence on them, will cease. State Machine Centers also will have to operate according to the profit principle rather than being dependent on state subsidies.

The supply of machinery to the countryside is to be greatly increased. Plans also call for marked increases in the supply of commercial fertilizers (in 1957 alone by 10 percent), and for a more equitable distribution of supplies than in the past.

More building materials and other industrial goods are to be supplied to the farmers, credit facilities are to be expanded, rural electrification is to be extended, and cooperatives of all kinds are to be encouraged.

* * *

The new policy, if fully implemented, should be a strong stimulus toward higher agricultural output. Its significance, however, is larger in scope, for it modifies certain basic principles on which postwar Poland's economic development has been founded.

8/ Rocznik Statystyczny, op. cit. See also K. Sokolowski, "Zuzycie nawozow w rolnictwie Polski i innych krajow," Nowe Rolnictwo, No.11, Warsaw, 1956.

The lag in farm output is mainly due to the low income of the majority of producers. The coercive measures to which the latter have been subjected were poor substitutes for real incentives. The government, of course, was never unaware of the effectiveness of incentives and has at times granted higher incomes and other privileges in certain strategic sectors of the economy. However, it was always reluctant to do the same in agriculture; higher incomes for the bulk of agricultural producers would have primarily meant strengthening the only important part of the economy where private enterprise still prevails, and they would also have meant diversion into consumption of resources forcibly appropriated for additional industrial investment. The shift in policy which the new farm program represents is likely to revitalize, at least for some time, private farming in Poland. In that lies the main significance of the new agricultural policy.

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U. S. DEPARTMENT OF AGRICULTURE

FATP 15-57

February 7, 1957

THE AGRICULTURAL SITUATION IN TURKEY, 1956

In the parlance of the industry, agricultural production in Turkey in 1956 was "normal" to "better than normal" for all important crops except cereals. It appears that "normal" refers to some recent good crop-year. Production of several specialty crops, e.g., filberts and raisins, is expected to reach record levels. On the other hand, the second short wheat harvest in three years may be considered the outstanding feature of the agricultural situation.

Cereals

Total cereals production is estimated at 11.7 million metric tons in 1956 compared with 12.5 in 1955, 9.6 in 1954, and 14.3 in 1953. Wheat is the most important cereal with a production presently estimated at not more than 6.0 million metric tons in 1956, compared with 6.9 in 1955, 4.9 in 1954, and 8.0 in 1953. There are indications that the final official estimate for the 1956 wheat crop may be still lower.

Turkey: Cereals - Estimated Production, 1956

<u>Commodity</u>	<u>Hectares</u>	<u>Metric Tons</u>
Wheat	7,500,000	6,000,000
Barley	2,600,000	3,000,000
Corn	696,000	854,000
Rye	677,000	652,000
Mixed	428,000	486,000
Oats	375,000	446,000
Spelt	127,000	100,000
Millet	70,000	92,000
Rice (milled)	49,000	63,000
Canary seed	9,600	8,000
Total	12,531,600	11,701,000

The Turkish commercial grain market up to this year has been primarily Toprak, the Government purchasing agency. This season Toprak will again be the prime purchaser, although private buyers are beginning to increase purchases as more private storage space becomes available. This will have no appreciable effect on this year's market, but in succeeding years will have an increasing effect.

Figs - Supply and Distribution

	<u>Metric Tons</u>
Stocks, Sept. 1, 1955	0
Production, 1955	25,000
Exports (Sept. 1, 1955-Aug. 28, 1956)	
Edible figs	12,160
Fig paste	2,156
Industrial figs	2,459
Other disappearance	8,225
Stocks, Sept. 1, 1956	0
Production, 1956	38,000

Citrus Fruit

Citrus fruit production in 1956 is expected to set a new high record, with 125,000 metric tons of oranges, 2,450 metric tons of grapefruit, 40,000 metric tons of lemons, 20,000 metric tons of tangerines, and 2,400 metric tons of bitter oranges.

Nuts

Total production of the leading nut crops is estimated to be more than double that of the previous year, as shown in the following table. Substantial quantities will be available for export.

Turkey - Supply and Distribution of Nuts

	<u>Metric Tons</u>			
	<u>Filberts</u> (shelled)	<u>Almonds</u> (shelled)	<u>Pistachios</u> (unshelled)	<u>Walnuts</u> (unshelled)
Stocks, Sept. 1955	7,000	0	0	250
Production, 1955	26,000	5,000	7,630	25,000
Exports, Sept. 1, 1955 to Aug. 31, 1956	29,776	118	1,260	2,000
Other disappearances	2,224	4,882	6,370	23,000
Stocks, Sept. 1, 1956	1,000	0	0	250
Production, 1956	55,000	7,000	12,000	67,180

Fats and oils

Fats and oils production is expected to exceed the 1955 level, as shown in the following table.

Fats and Oils - Production, 1955 and 1956

Metric Tons

<u>Type of Oil</u>	<u>1955</u>	<u>1956</u>
Olive oil	40,000 ^{1/}	80,000 ^{1/}
Foots oil	7,000	7,000
Sesame seed oil	2,400	5,000
Cottonseed oil	24,000	24,000
Sunflower seed oil	38,000	40,000
Flaxseed oil	5,100	5,200
Poppy seed oil	1,000	2,000
Tobacco seed oil	120	150
Rape seed oil	400	200
Dolphin fish oil	1,500	3,000
Tallow	4,500	6,000

1/ From the olive crop harvested beginning in the Fall of that year.

Sugar

In 1956 sugar beets were planted on 129,450 hectares, producing 2,356,000 metric tons of beets, with a yield of 372,100 metric tons of sugar. It is expected that sugar will be exported for the first time from the 1956 production. Up to the 1955 crop year Turkey was either an importer of sugar or sugar was in chronic short supply. To answer this basic need Turkey undertook the building of 11 new sugar factories, bringing the total number operating within Turkey to 15. During this 1956 crop year the entire 15 plants have been put into operation. As this program is developed further, it will have an increasing impact on the type of agriculture being pursued by the farmers in the areas, not the least of which is to give them increased income.

Livestock

The Turkish livestock industry suffered heavy losses from the severe cold and lack of feed during the 1955 winter. This condition prevailed throughout most of the Anatolian Plateau, but was more severe in the eastern part of the country where livestock are relatively more important than in other sections.

The damage was not so much the loss in numbers as in quality. Many were in such a weakened condition that they failed to respond favorably to spring and summer grass when it became available. Prospects for feed during the winter months of 1956 were also dismal. Farmers everywhere complained about a shortage of straw, the characteristic winter diet for livestock, as a result of the poor grain crops.

Livestock Numbers, January, 1956

	<u>Number</u>
Cattle and calves	12,000,000
Sheep and lambs	26,550,000
Hogs	100,000
Horses	1,925,000
Donkeys	1,650,000
Mules	116,000
Camels	85,000
Goats	21,184,000
Water buffalo	1,055,000

Animal Fibers

The production of wool, mohair, and goat hair suffered from the effects of the 1955 severe winter and the lack of feed. Consequently, the forecast for all animal fibers is less than for 1955.

Animal Fibers - Supply and Distribution

	<u>Metric Tons</u>		
	<u>Wool</u>	<u>Mohair</u>	<u>Goat Hair</u>
Stocks, January 1, 1955	5,000	0	0
Production, 1955	36,726	7,943	8,909
Imports	2,459	0	0
Total supply	44,185	7,943	8,909
Domestic consumption, 1955	36,547	2,858	8,069
Exports, 1955	1,135	3,885	390
Stocks, January 1, 1956	6,503	1,200	450
Production, 1956	34,800	7,300	8,256

Dairy

Milk production in Turkey is largely a family cow or sheep operation with most of the milk used on the farm as yogurt or butter. A small supply is pasteurized in Ankara and Istanbul for public sale.

Over the past few years, many plans have been developed by both the Turkish Government and other interested agencies to increase milk production and improve marketing efficiency. The new UNICEF plant in Ankara is expected to begin operation soon.

Milk - Production by type of animal,
Calendar year, 1955.

<u>Type of Milking animal</u>	<u>Number of Animals</u>	<u>Number Milked</u>	<u>Metric tons Total Production</u>
Cows	3,500,000	2,925,000	1,362,500
Buffalo	1,055,000	235,000	188,000
Sheep	14,145,000	13,016,000	443,000
Goats	10,380,000	6,500,000	520,000

Total Milk Production (Metric tons) 2,513,500

Production of Dairy Products, 1955

<u>Type of Products</u>	<u>Factory</u>	<u>Farm (village)</u>
	- - -Metric tons - - -	
Butter	10,000	40,200
Cheese	20,000	259,000

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FATP-16-57

April 25, 1957

THE GOLD AND DOLLAR POSITION OF OUR FOREIGN BUYERS

I. Developments in 1956

Total (public and private) gold and dollar assets of foreign countries increased \$1.9 billion during 1956 and on December 31 amounted to \$29.3 billion^{1/} (Table I). Of this increase about \$1.5 billion was due to a net receipt of dollars from commercial and governmental transactions with the United States. The remainder resulted from drawings on the International Monetary Fund and from gold transactions.

Fourteen countries held at the end of 1956 gold and dollar assets in excess of \$500 million.

	Gold and Dollar Assets		
	Dec. 31 1956	Change since Dec. 31, 1955	Assets as % of imports
	----Millions U.S. Dollars----		Pct.
Germany	3,341	+959	50
United Kingdom	3,010	+128	28
Canada	2,996	+386	48
Switzerland	2,646	+248	136
France	1,541	-596	28
Italy	1,290	+151	41
Belgium-Luxembourg	1,236	+ 25	38
Japan	1,171	+138	36
Netherlands	1,080	- 64	29
Venezuela	1,061	+390	96
Portugal	628	+ 27	142
Mexico	604	+ 44	57
Brazil	551	+ 83	45
Cuba	514	- 44	108

Developments in these fourteen countries were as follows:

France experienced a considerable financial strain from increasing inflationary pressures at home, heavy military expenditures in Algeria, and, in the latter part of 1956, the Suez crisis. As a result, the published French gold and dollar holdings declined 38 percent. French dollar losses have continued into 1957, but they have in part been offset by a standby credit of \$262.5 million from the International Monetary Fund and a \$100 million revolving credit from a group of U.S. banks. To reduce the drain on her exchange reserves, France recently tightened her import controls.

^{1/} Excludes U.S.S.R. gold holdings.

The United Kingdom increased her gold and dollar assets during the first half of 1956, as a result of an improvement in her trade balance brought about by effective disinflationary measures. In the second half of 1956, under the impact of the Suez crisis, the United Kingdom experienced large dollar losses. Most of these losses were offset, however, by a receipt of \$177 million from the sale of Trinidad oil interests and by a drawing of \$561.5 million on the International Monetary Fund. Thus, the net result for 1956 was an increase of \$100 million in the gold and dollar assets of the United Kingdom. To further bolster her exchange position, the United Kingdom obtained a standby arrangement with the IMF for \$738.5 million and a \$500 million credit line from the Export-Import Bank.

The Netherlands experienced increased inflationary pressures during the course of 1956, which resulted in a moderate decline of her gold and dollar assets. She is now in the process of taking corrective measures.

Western Germany vastly strengthened her exchange position. Her gold and dollar assets increased in 1956 by 40 percent, or by nearly one billion dollars. In addition, Germany holds one billion dollars in credit balances with the European Payments Union and Western European countries. A large trade surplus has been the major reason for the continuing growth of her exchange reserves.

Switzerland, the only European country with a currency fully convertible into U. S. dollars, increased in 1956 its already large gold and dollar assets by 10 percent. Italy, Belgium-Luxembourg and Portugal also added to their gold and dollar assets.

Among the non-European countries with gold and dollar assets in excess of \$500 million, the most notable gains were in the Western Hemisphere. The gold and U.S. dollar assets of Canada increased about 15 percent, and those of Venezuela by 58 percent. Those of Mexico and Brazil also increased substantially. In Cuba a moderate decline of these assets was caused by expanded development activities. Japan increased her gold and dollar assets in 1956 by another 13 percent.

A number of countries having gold and dollar assets of less than \$500 million also were able to increase these assets, particularly Austria, Norway, Sweden, Guatemala, Panama and Phillipines. The improvement in the exchange position of Norway and Sweden was due to larger freight earnings, which in turn were the result of a high level of world trade and of the boost in freight rates caused by the Suez crisis.

Substantial declines in their gold and dollar assets were experienced by Spain, Indonesia and Argentina. In large part they were due to inflationary pressures. Some of Argentina's dollar losses were, however, related to the substantial reduction of her debts that had accumulated under bilateral trade and payments agreements with Western European countries. Australia's gold and dollar assets dropped in the last quarter of 1956 as a result of a large gold sale to the United Kingdom.

Table I.

Estimated Gold and Dollar
Holdings of Foreign Countries

Area and Country	1952		1953		1954		1955		1956	
	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June. 30	Dec. p 31
(Millions of United States Dollars)										
<u>Continental Western Europe</u>										
Austria	108	149	172	246	300	341	337	332	318	367
Belgium-Luxembourg (& Belgian Congo)	977	1,041	1,050	1,107	1,065	1,054	1,121	1,211	1,233	1,236
Denmark	69	105	107	133	131	109	91	98	105	102
Finland	47	55	60	65	76	75	74	89	87	93
France(& dependencies) 1/	1,114	1,175	1,134	1,207	1,249	1,489	1,557 2/	2,137	1,789	1,541
Germany(Federal Republic of)	545	691	893	1,225	1,503	1,999	2,158	2,382	2,753	3,341
Greece	51	57	82	112	125	124	138	187	176	187
Italy	623	665	670	821	811	935	994	1,139	1,216	1,290
Netherlands(& Netherlands West Indies & Surinam)	610	824	961	1,062	1,131	1,123	1,113	1,144	1,168	1,080
Norway	149	170	168	176	183	154	152	177	170	202
Portugal(& dependencies)	342	374	413	469	516	560	571	601	602	628
Spain(& dependencies)	133	134	137	153	145	191	228	224	209	163
Sweden	282	276	281	336	343	407	383	429	426	483
Switzerland	2,051	2,099	2,136	2,174	2,141	2,223	2,212	2,398	2,424	2,646
Turkey	171	151	152	157	151	152	156	153	151	164
Other 3/	668	717	728	891	1,008	951	1,246	882	1,122	923
<u>Total</u>	7,940	8,683	9,214	10,334	10,878	11,887	12,531	13,583	13,949	14,446
<u>Sterling Area</u>										
United Kingdom	2,343	2,514	3,098	3,241	3,775	3,406	3,419	2,882	3,128	3,010
United Kingdom dependencies	108	118	114	112	110	107	106	92	90	107
Australia						186	204	219	243	192
India	307	313	335	347	339	335	345	321	330	324
Union of South Africa	159	195	213	215	226	233	243	266	246	278
Other	353	350	373	376	376	181	187	217	211	234
<u>Total</u>	3,270	3,490	4,133	4,291	4,826	4,448	4,504	3,997	4,248	4,145
<u>Canada</u>	2,513	2,627	2,369	2,519	2,565	2,709	2,643	2,610	2,756	2,996
<u>Latin America</u>										
Argentina	416	428	521	503	548	531	528	509	476	360
Bolivia	47	45	47	40	36	32	28	26	25	29
Brazil	399	392	453	425	419	444	444	468	542	551
Chile	96	121	129	122	104	113	137	139	148	138
Colombia	138	194	197	236	317	308	188	217	224	211
Cuba	663	543	608	570	612	547	580	558	566	514
Dominican Republic	64	58	59	51	68	72	83	77	81	79
Guatemala	67	63	74	65	75	62	78	72	93	91
Mexico	270	380	344	345	264	395	423	560	527	604
Panama	82	89	102	91	88	75	86	87	95	109
Peru	103	107	109	104	103	118	118	127	105	123
El Salvador	67	55	74	56	75	59	79	52	73	53
Uruguay	310	302	313	338	336	318	292	282	284	260
Venezuela	505	521	532	597	624	600	667	671	737	1,061
Other	128	134	162	135	150	145	150	129	168	126
<u>Total</u>	3,355	3,432	3,724	3,678	3,819	3,819	3,881	3,984	4,154	4,309
<u>Asia</u>										
Indonesia	456	296	246	184	140	181	211	270	171	231
Iran	159	157	155	181	172	169	190	175	169	158
Japan	851	931	1,017	953	743	854	887	1,033	1,179	1,171
Philippines	356	332	324	312	315	272	269	274	306	300
Thailand	240	294	311	281	243	236	244	251	254	256
Other	316	366	369	408	450	528	605	651	700	706
<u>Total</u>	2,378	2,376	2,422	2,319	2,063	2,240	2,406	2,654	2,779	2,822
<u>Eastern Europe 4/</u>	313	313	312	312	315	315	318	315	300	295
<u>All Other</u>										
Egypt	292	234	229	217	226	221	224	246	236	238
Other	39	52	63	69	67	68	85	80	104	82
<u>Total</u>	331	286	292	286	293	289	309	326	340	320
<u>Total Foreign Countries 4/</u>	20,100	21,207	22,466	23,739	24,759	25,707	26,592	27,469	28,526	29,333
<u>International Institutions 5/</u>	3,408	3,547	3,538	3,616	3,670	3,863	3,916	4,010	4,067	3,535

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1. Excludes gold holdings of French Exchange Stabilization Fund

2. Reflects publication by France of certain previously unpublished French gold reserves which are included for earlier dates in Continental Western Europe - Other

3. Includes Yugoslavia, Bank for International Settlements (both for its own and European Payments Union account), gold & b* distributed by the Tripartite Commission for restitution of Monetary Gold, and unpublished gold reserves of certain Western European countries

4. Excludes gold reserves of the U.S.S.R.

5. Includes International Bank for Reconstruction and Development, International Monetary Fund, and United Nations organizations

Source--Federal Reserve Board

II. Longer-range developments

Last year's increase in the total gold and dollar assets was a continuation of a trend prevailing throughout this decade:

	Dec. 31, 1949	Dec. 31, 1956	Increase
	Millions of U.S. Dollars		Pct.
Continental Western Europe	6,280	14,446	130
Sterling Area	2,838	4,145	46
Canada	1,526	2,996	96
Latin America	3,078	4,309	40
Japan	393	1,171	198
Other Asia	1,157	1,651	43
Others	521	615	18
Total	15,793	29,333	86

The improvement in the gold and dollar position of foreign countries since 1949 has been facilitated by an increase of over 80 percent in U.S. imports of goods and services, by continuing large U.S. military and aid expenditures abroad, and by improvements in the monetary and fiscal policies of many countries. As a result, foreign countries greatly increased their takings of U.S. goods and services while, at the same time, building up their gold and dollar assets.

Balance of Payments of the United States with foreign countries^{1/}
(Billions of dollars)

	1949	1955	1956 ^p
I - Dollars paid by foreign countries for -			
A. U.S. exports of goods and services			
1. Merchandise	12.1	14.3	17.3
2. Services and other transactions	3.7	5.7	6.1
B. Errors, omissions and unaccounted (net)	.8	.5	.6
<u>Total Dollars Paid</u>	16.6	20.5	24.0
II. Dollars received by foreign countries from -			
A. U.S. imports of goods and services			
1. Merchandise (see Table II)	6.9	11.5	12.8
2. Services and other current transactions	2.5	3.9	4.4
B. Private Capital outflow (net)	.6	1.2	2.7
C. U.S. Government spending			
1. Military and general expenditure	.9	3.1	3.3
2. U.S. economic grants and loans	5.6	2.2	2.3
<u>Total Dollars Received</u>	16.5	21.9	25.5
III. As a result, foreign gold and dollar assets increased	-0.1	1.4	1.5

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^{1/} Excluding Military Supplies and Services

III. Foreign Dollar Assets and U.S. Agricultural Exports

While large in the total, the foreign gold and dollar assets are still unevenly distributed among countries and areas:

	Percent
Western Europe	
Continental Western Europe	49
United Kingdom	10
Total Western Europe	59
Sterling Area (other than U. K.)	3
Canada	10
Latin America	
Countries with convertible currencies	9
Others	6
Japan	4
Other Asian and African countries	7
Eastern Europe ^{1/}	1
Total	100

^{1/} Excludes the unpublished gold reserves of U.S.S.R.

Western Europe, which holds the major part of the foreign gold and dollar assets, depended in the early postwar period on United States economic aid for the financing of a major portion of its imports of U.S. agricultural exports. Since then, Western Europe has recovered and considerably increased its economic strength. As a result, the more developed Western European countries are now able to finance their imports from the U.S. fully or at least largely with earned dollars.

Canada and the Latin American countries with convertible currencies (Mexico, Cuba, Venezuela and 6 Central American republics) have always been dollar markets.

South Africa, Australia and New Zealand also buy from the U.S. with dollars.

Japan, after receiving U.S. economic aid in the early postwar period and buying in the last two fiscal years, large amounts of U.S. farm products for yen under P. L. 480, is now financing her agricultural imports from the U.S. with earned dollars.

In the case of a number of Asian and Latin American countries with low levels of income and in some less developed European countries (such as Finland, Greece, Italy, Spain and Yugoslavia), U. S. exports of farm products continue to depend to a large extent on special programs involving sales for local currencies and various forms of U.S. assistance.

Prepared for publication in International Monetary Branch.

Table II

U. S. IMPORTS, 1949, 1953-1956
(Millions of Dollars)

Commodity	:	1949	:	1953	:	1954	:	1955	:	1956
<hr/>										
AGRICULTURAL PRODUCTS	:									
Complementary	:	1625		2482		2271		2418		2394
Rubber, crude	:	240		331		262		441		398
Coffee	:	793		1469		1486		1357		1438
Cocoa or Cocoa bean	:	124		167		252		185		145
Wool, free in bond (carpet wool)	:	57		93		77		109		113
Other	:	411		422		194		326		300
Supplementary	:	1552		1694		1515		1549		1552
Meats	:	62		162		167		148		129
Wool, except free bond (apparel wool)	:	165		203		145		152		129
Fruits and preparations	:	46		71		65		63		67
Grains and preparations	:	75		169		91		61		80
Sugar, cane	:	372		425		411		414		437
Other	:	833		664		636		711		710
<hr/>										
TOTAL AGRICULTURAL PRODUCTS	:	3177		4176		3786		3967		3946
Textiles, Semi-and Finished Manufactures	:	335		464		440		585		648
Whiskey and Other Distilled Spirits	:	74		124		125		137		156
Fish and Fish products	:	119		207		225		226		249
Wood and Paper	:	842		1305		1328		1495		1558
Petroleum and Products	:	478		762		829		1026		1269
Other non-metallic minerals	:	216		399		404		521		582
Metals and Manufactures	:	966		2098		1722		1976		2349
Iron Ore, Iron, Steel and Products	:	151		668		472		557		751
Nonferrous Ores and Metals	:	760		1342		1156		1294		1438
Other	:	55		78		94		125		260
Machinery and Vehicles	:	135		353		359		438		631
Chemicals and Related Products	:	107		293		249		255		274
Miscellaneous	:	246		598		773		711		828
<hr/>										
TOTAL NON-AGRICULTURE PRODUCTS	:	3,418		6,603		6,454		7,370		8,544
Gold, Silver and Other Adjustments	:	205		221		60		163		310
<hr/>										
TOTAL U. S. IMPORTS	:	6,900		11,000		10,300		11,500		12,800

UNITED STATES DEPARTMENT OF AGRICULTURE

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